

Singapore

ADD (no change)

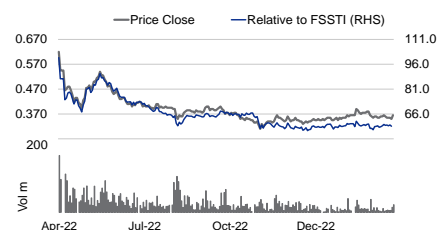
Consensus ratings*: Buy 1 Hold 0 Sell 0

Current price:	S\$0.365
Target price:	S\$0.64
Previous target:	S\$0.64
Up/downside:	75.3%
CGS-CIMB / Consensus:	0.0%
Reuters:	YANZ.SI
Bloomberg:	YZJFH SP
Market cap:	US\$999.2m
	S\$1,347m
Average daily turnover:	US\$2.98m
	S\$4.05m
Current shares o/s:	3,691m
Free float:	64.4%

*Source: Bloomberg

Key changes in this note

- FY23F EPS lowered by 12.4%.
- FY24F EPS raised by 1.5%.
- FY25F EPS raised by 9.7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.7	2.8	
Relative (%)	0.7	3.7	

Major shareholders	% held
Yangzi International Holdings Ltd	21.6

Analyst(s)

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Yangzijiang Financial Holdings

Worst could be over

- FY22 net profit of S\$162m missed our expectations at c.73% of our estimate due to higher-than-expected allowance of S\$154m for credit losses in FY22.
- We estimate YZJFH's AUM could reach S\$5bn in FY23F (FY22: S\$4.1bn) from external funds on its equity portfolio.
- Maintain Add on dividend yield potential; FY23F/FY24F/FY25F dividend yield could be c.8.6%/10.1%/11.2%. Our SOP-based TP is unchanged at S\$0.64.

Higher-than-expected credit loss allowance led to net profit miss

2H22 revenue of S\$132.4m (-24% hoh; -9% yoy) was in line with our expectations at c.52% of our full-year forecast, but net profit of S\$25.6m (-81% hoh; -80% yoy) missed expectations at c.12% of our full-year estimate. As a result, FY22 net profit of S\$162.0m (-50% yoy) missed at c.73% of our FY22 estimate. This was mainly due to larger-than-expected additional allowance for credit losses of S\$137.7m made in 2H22 for non-performing debt investments, mostly pertaining to China's deteriorating real estate industry. Real estate projects in China constituted S\$86.5m or c.56% of total provisions in its non-performing loans portfolio in FY22 (Fig 8). A final DPS of 1.80 Scts was declared, implying a c.43% payout ratio, exceeding its previous guidance of a 40% payout.

NPL amount had been independently verified by its auditor

Management explained that the breakdown of performing, under-performing, and non-performing loans (NPL), and expected credit loss (ECL) rates were calculated by its auditor. Allowances for credit losses are made based on non-performing projects (Fig 8). Management believes that the worst of real estate challenges could be over as China reopens, in addition to a new and reformed government. Management is cautiously optimistic on the real estate market in China, and expects it to hold steady for now.

Raise FY24F/25F EPS on higher returns from growing PE portfolio

We forecast additional allowances in FY23F/24F/25F based on the average ECL rates from FY18-FY22 (5.6% for performing; 6.1% for under-performing). We assume that NPLs have been adequately provided for in FY22, vs. our previous assumption of minimal allowance. Our FY23F EPS is thus revised downwards by c.12.4%. Higher non-interest income from a growing public and private equity (PE) portfolio in FY24F/FY25F offset the additional provisions forecast, raising our FY24F/25F EPS by c.1.5%/9.7%.

Retain Add with an unchanged SOP-based TP of S\$0.64

Our TP is based on 0.6x CY23F P/BV (comparable to China banks) and 7x CY24F P/E (40% discount to PE peers). Previously, for the P/E portion, we ascribed a 30% discount to peers. We increase this discount to peers as c.87% of YZJFH's assets are in China, which is more volatile relative to other economies. Our TP remains at S\$0.64. Key re-rating catalysts: faster-than-expected AUM growth and rapidly improving real estate industry in China. Downside risks: exchange rate fluctuations negatively impacting its US\$-dominated assets in Singapore, worsening Chinese economy affecting NPL levels/interest income.

Financial Summary

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue (S\$m)	384.8	306.2	417.3	486.1	535.6
Operating EBITDA (S\$m)	371.9	153.1	306.4	368.0	409.3
Net Profit (S\$m)	327.2	162.0	289.6	341.7	377.1
Core EPS (S\$)	0.085	0.042	0.075	0.089	0.098
Core EPS Growth	1.9%	(50.2%)	78.8%	18.0%	10.4%
FD Core P/E (x)	4.38	8.58	4.65	3.94	3.57
DPS (S\$)	-	0.018	0.031	0.037	0.041
Dividend Yield	0.0%	4.9%	8.6%	10.1%	11.2%
EV/EBITDA (x)	2.92	2.71	0.60	(0.09)	(0.65)
P/FCFE (x)	1.52	4.49	4.48	4.40	4.00
Net Gearing	(2.3%)	(17.1%)	(21.9%)	(25.7%)	(29.5%)
P/BV (x)	0.34	0.35	0.33	0.32	0.30
ROE	7.34%	3.99%	7.31%	8.23%	8.64%
% Change In Core EPS Estimates			(12.4%)	1.5%	9.7%
CGS-CIMB/Consensus EPS (x)			1.30	1.44	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Worst could be over

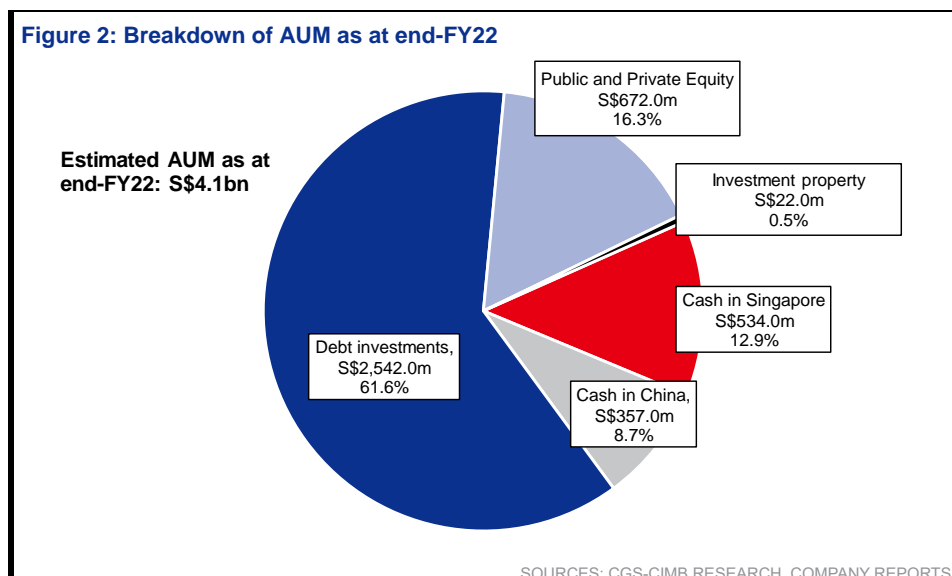
Results highlights ►

Figure 1: Results comparison

FYE Dec (S\$m)	2HFY22	2HFY21	yoy %	1HFY22	hoh%	FY22	FY21	yoy %	Prev.	Comments on 2HFY22
	Cum	Cum	chg		chg			chg	FY22F	
Revenue	132.4	145.7	-9%	173.8	-24%	306.2	384.8	-20%	257.0	In line.
Operating costs	(13.7)	(8.8)	55%	(15.6)	-12%	(29.2)	(22.1)	32%	(26.3)	
Profit before allowances	118.8	136.9	-13%	158.2	-25%	277.0	362.7	-24%	230.7	In line.
Profit after allowances	(17.1)	111.9	-115%	170.2	-110%	153.1	371.9	-59%	239.0	
Associates' contrib	30.0	56.0	-46%	(23.3)	-229%	6.7	55.3	-88%	49.8	
Pretax profit	26.9	167.9	-84%	169.5	-84%	196.4	427.2	-54%	288.7	Below at 9% of our full-year estimates due to higher-than-expected additional allowance for credit losses of S\$137.7m pertaining to the deterioration of China's real estate industry.
Tax	(1.3)	(37.1)	-96%	(33.1)	-96%	(34.4)	(99.9)	-66%	(67.6)	
Tax rate (%)	-5%	-22%	-78%	-20%	-75%	-18%	-23%	-25%	-23%	
Net profit	25.6	130.7	-80%	136.4	-81%	162.0	327.2	-50%	221.2	Below at 12% of our full-year estimates.
EPS (cts)	0.7	3.3	-79%	3.5	-80%	4.2	8.3	-49%	5.6	
Core profit	25.6	130.7	-80%	136.4	-81%	162.0	327.2	-50%	221.2	
Core EPS (cts)	0.7	3.3	-79%	3.5	-80%	4.2	8.3	-49%	5.6	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Breakdown of AUM as at end-FY22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Model assumptions

Revenue ►

YZJFH's revenue is classified into:

- Interest income:** derived from interest payments from debt investments as well as bank deposits from its cash and yield enhancement products; and
- Non-interest income:** mostly derived from its public and private equity investments. This comprises fee income, dividend income earned from investments in financial assets, net changes in fair value of its investments in financial assets, and other income.

Interest income

Management guided that YZJFH could gain S\$1bn-2bn of AUM from external funds in FY23F. With this, we conservatively assume total AUM could grow to S\$5bn in FY23F (FY22: S\$4.1bn), largely driven by growth in cash and yield enhancement products, as well as public and private equity. Assuming a 30%/70% revenue contribution from debt investments/cash and yield enhancement products (from management's guidance to pare down its percentage of debt investments to 30% of portfolio in FY23F), we derive total interest income of c.S\$189m for FY23F. With c.87% of its current debt investment portfolio of S\$2,402m expected to mature by end-FY23F, and YZJFH paring down its proportion of debt investments to 30% relative to an increasing public and private equity portfolio, we expect interest income to see yoy growth of just c.5% in FY24F/FY25F.

Figure 3: Interest income assumptions

	FY21	FY22	FY23F	FY24F	FY25F
AUM (S\$m)					
Cash and yield enhancement products	16.80	891.00	1,247.40	1,309.77	1,375.26
<i>yoy change (%)</i>		5203.6%	40.0%	5.0%	5.0%
Public and private equity	714.00	672.00	2,284.80	2,399.04	2,518.99
<i>yoy change (%)</i>		-5.9%	240.0%	5.0%	5.0%
Debt investments	3,469.20	2,402.00	1,513.80	1,589.49	1,668.96
<i>yoy change (%)</i>		-30.8%	-37.0%	5.0%	5.0%
Micro-financing	-	140.00	-	-	-
<i>yoy change (%)</i>		0.0%	0.0%	0.0%	0.0%
Investment property	-	22.00	22.00	22.00	22.00
<i>yoy change (%)</i>		0.0%	0.0%	0.0%	0.0%
Total AUM	4,200	4,127	5,068	5,320	5,585
Interest income (S\$m)					
Debt investments	352.64	309.62	151.38	158.95	166.90
Microfinance	14.92	2.57	-	-	-
Total debt investments	367.56	312.19	151.38	158.95	166.90
Cash	1.11	20.56	37.42	39.29	41.26
Total interest income	368.67	332.75	188.80	198.24	208.15
Returns (%)					
<i>Return from cash (%)</i>	6.6%	2.3%	3.0%	3.0%	3.0%
<i>Return from debt investments (%)</i>	10.6%	13.0%	10.0%	10.0%	10.0%

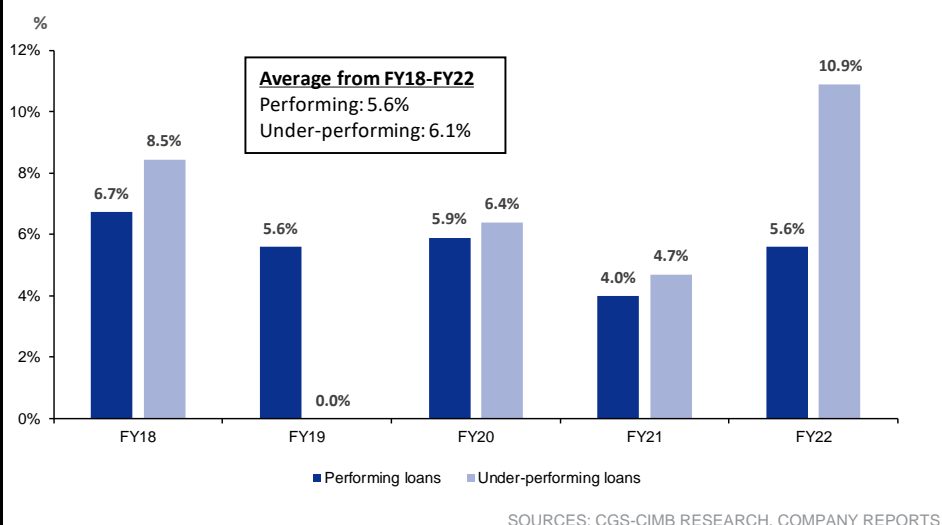
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Non-interest income

We forecast 10%/12%/13% returns in FY23F/24F/25F as YZJFH ramps up its public and private equity portfolio. Management targets a 12-15% return on its equity portfolio; however, we remain conservative as: (1) private equity investments typically take 3-5 years to reap returns; (2) currently, most non-interest income is contributed by investments in private credit, which usually reap lower returns compared to private equity; and (3) volatility in the current macroeconomy.

Allowance for credit losses ►

We forecast additional allowances in FY23F/24F/25F based on the average expected credit loss rates from FY18-FY22, thus leading to 5.6% for performing loans and 6.1% for under-performing loans. We assume that provisions for non-performing loans have been adequately provided for in FY22. We previously assumed minimal allowance.

Figure 4: Expected credit loss rates from FY18-FY22


EPS changes

In line with the above model assumptions, our FY23F EPS is revised downwards by c.12.4%. Higher non-interest income in FY24F/FY25F offset the additional provisions forecast, which leads us to raise FY24F/25F EPS forecasts by c.1.5%/9.7%.

Figure 5: EPS changes

FYE Dec (\$m)	New			Old			% change		
	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
Revenue	417.3	486.1	535.6	409.5	424.1	439.4	1.9%	14.6%	21.9%
Profit before allowances	377.2	442.4	487.4	382.1	395.4	409.5	-1.3%	11.9%	19.0%
<i>Profit before allowances margin (%)</i>	<i>90.4%</i>	<i>91.0%</i>	<i>91.0%</i>	<i>93.3%</i>	<i>93.3%</i>	<i>93.2%</i>	<i>-3.1%</i>	<i>-2.4%</i>	<i>-2.4%</i>
Profit after allowances	306.4	368.0	409.3	389.5	402.1	415.5	-21.3%	-8.5%	-1.5%
<i>Profit after allowances margin (%)</i>	<i>73.4%</i>	<i>75.7%</i>	<i>76.4%</i>	<i>95.1%</i>	<i>94.8%</i>	<i>94.6%</i>	<i>-22.8%</i>	<i>-20.2%</i>	<i>-19.2%</i>
Reported PATMI	289.6	341.7	377.1	332.7	338.9	346.1	-12.9%	0.8%	9.0%
Core PATMI	289.6	341.7	377.1	332.7	338.9	346.1	-12.9%	0.8%	9.0%
NPM (%)	69.4%	70.3%	70.4%	81.2%	79.9%	78.8%	-14.6%	-12.1%	-10.6%
EPS (Scts)	7.5	8.9	9.8	8.6	8.8	9.0	-12.4%	1.5%	9.7%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Valuation

Reiterate Add; TP of S\$0.64 ►

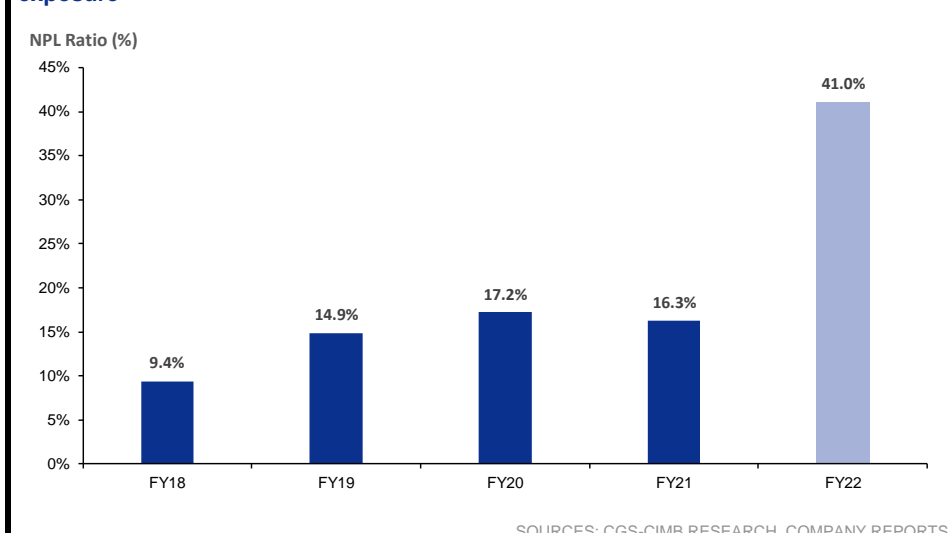
Our SOP-based valuation is broken down into c.0.6x CY23F P/BV (comparable to Chinese banks) and c.7x CY24F P/E (40% discount to fund management peers). Previously, for the P/E portion, we ascribed a 30% discount to fund management peers. We increased this discount to peers as c.87% of YZJFH's assets are in China, whose economy is still volatile relative to other economies. Our TP is weighted 30%/70% for P/BV and P/E as YZJFH targets to pare down its debt investment business in China to 30% (from c.59% as at FY22) by end-FY23F.

Figure 6: Valuation

P/BV valuation		
CY23F book value (S\$m)	4,048	
P/BV (x)	0.6	Comparable to Chinese banks
Fair value (S\$m)	2,429	
P/E valuation		
CY24F net profit (S\$m)	342	
P/E (x)	7	40% discount to peers
Fair value (S\$m)	2,323	
Number of shares (m)	3,691	
Method	Weightage	Value per share (S\$)
P/BV(x)	30%	0.20
P/E (x)	70%	0.44
Fair value (S\$m)		0.64

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Debt investments

Figure 7: Gross NPL ratio rose to 41.0% at end-FY22 mainly due to real estate exposure


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 8: Non-performing loans (excluding Micro-Finance) as at end-FY22

Non-Performing projects	Industry	Principal as at end-FY22 (S\$m)	Provisions as at end-FY22 (S\$m)	Net book value (S\$m)
Project A	Diversified consumer services	10.5	3.4	7.2
Project B	Construction & Engineering	38.7	17.9	21.7
Project C	Trading	67.5	1.9	65.7
Project D	Real Estate	121.3	39.2	84.2
Project E	Real Estate	181.0	45.9	137.5
Project F	Real Estate	15.4	1.4	14.1
Project G	Retailing	183.3	43.9	141.8
Projects with no value at risk	Various	524.2	-	524.2
Total		1141.9	153.6	996.4

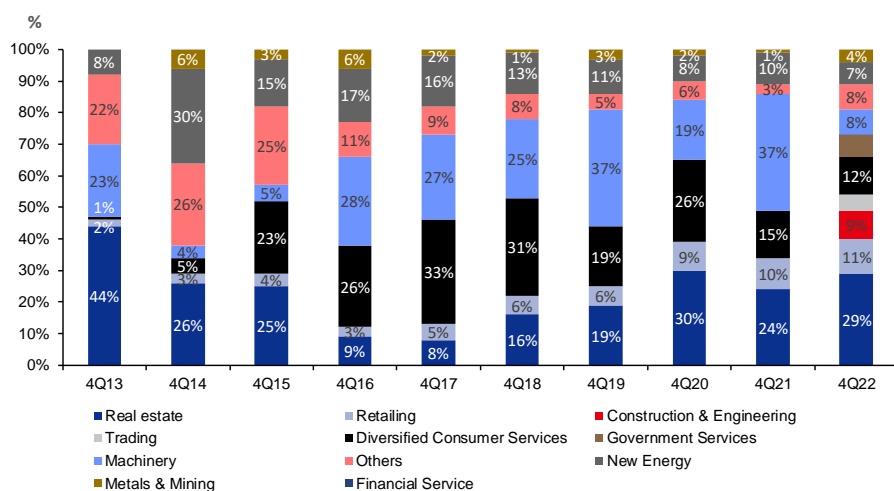
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 9: Credit losses against debt investments as at end-FY22

As at 31 Dec 22 (\$m)				
	Performing	Under-performing	Non-performing	Total
Expected credit loss rates (%)	5.60%	10.90%		
Gross carrying amount	1,347.75	149.38	1,141.90	2,639.03
Credit loss allowance	(84.14)	(17.37)	(153.64)	(255.14)
Currency translation difference	8.87	1.15	8.33	18.35
Net carrying amount of fixed interest debt instruments through intermediary financial institutions in China	1,272.48	133.16	996.59	2,402.23
Government bonds and other short-term investments offered by other banks				269.67
Total net carrying amount				2,671.91

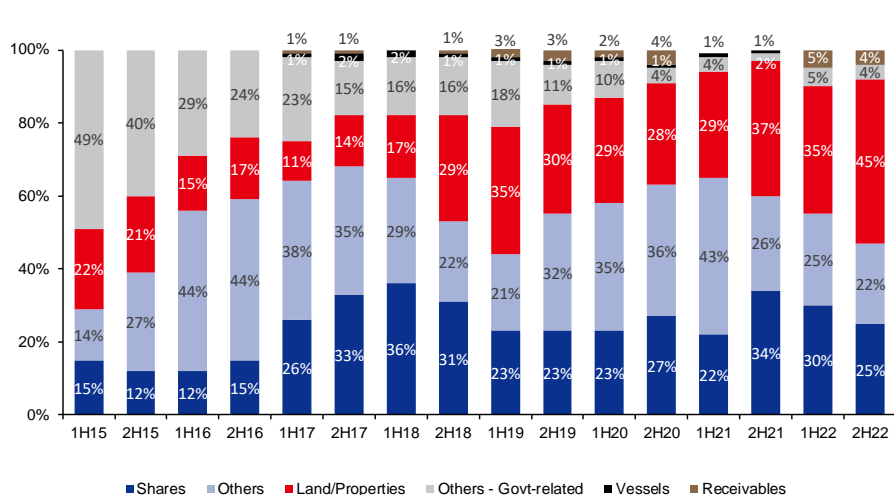
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 10: Breakdown of borrowers (%)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 11: Collaterals



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 12: Peers comparison

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x) CY23F	Recurring ROE (%) CY23F	Dividend Yield (%) CY23F
Yangzijiang Financial Holdings	YZJFH SP	ADD	0.37	0.64	999	8.6	4.8	1.6%	0.35	3.9%	4.9%
Value Partners Group Ltd	806 HK	NR	2.92	na	912	9.1	6.3	na	0.95	10.8%	4.1%
Capitaland Investment	CLI SP	Add	3.69	4.50	13,996	38.2	19.5	-18.0%	1.22	3.0%	3.3%
Blackstone Inc	BX US	NR	90.80	na	146,498	18.9	14.5	43.4%	6.57	48.3%	4.6%
Brookfield Asset Management L	BAM US	NR	33.62	na	18,594	24.2	20.5	217.3%	na	47.6%	3.8%
KKR & Co Inc	KKR US	NR	56.35	na	65,104	14.1	11.5	na	1.81	15.4%	1.2%
Apollo Global Management Inc	APO US	NR	70.90	na	54,439	10.7	9.3	na	4.40	89.1%	2.4%
Victory Capital Holdings Inc	VCTR US	NR	33.96	na	3,068	7.6	6.9	8.4%	1.91	26.6%	3.8%
Tikehau Capital SCA	TKO FP	NR	26.25	na	6,566	14.6	12.1	na	1.43	10.2%	2.9%
Gimv NV	GIMB BB	NR	43.40	na	1,687	na	na	na	na	na	6.0%
Molten Ventures PLC	GROW LN	NR	382.8	na	949	17.3	2.9	na	0.43	4.3%	0.0%
Fund management peers (simple average)						17.2	11.5	62.8%	2.34	28.4%	3.2%
China Merchants Bank-A	600036 CH	Add	38.25	64.60	140,227	7.3	6.3	14.8%	1.17	17.0%	4.5%
China Construction Bank-A	601939 CH	Hold	5.64	5.80	158,402	4.6	4.3	5.1%	0.52	11.9%	6.7%
Agricultural Bank of China-A	601288 CH	Hold	2.93	3.00	145,641	4.3	4.1	5.4%	0.46	11.1%	7.4%
Bank of China-A	601988 CH	Add	3.24	3.50	129,648	4.4	4.2	5.6%	0.46	10.8%	7.1%
Chinese banks (simple average)						5.2	4.7	7.7%	0.65	12.7%	6.4%
DBS Group	DBS SP	Hold	34.00	35.70	65,029	10.7	8.3	16.2%	1.61	14.5%	5.9%
United Overseas Bank	UOB SP	Add	29.93	33.30	37,174	10.3	8.3	17.0%	1.16	11.0%	4.5%
OCBC	OCBC SP	Add	12.53	13.50	41,770	9.8	8.0	13.0%	1.10	11.0%	5.4%
Singapore banks (simple average)						10.3	8.2	15.4%	1.29	12.2%	5.3%
Overall (simple average)						12.9	9.2	29.8%	1.68	21.4%	4.3%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
 NOTE: FORECASTS FOR NOT RATED COMPANIES ARE BLOOMBERG CONSENSUS ESTIMATES
 DATA AS AT 1 MAR 2022

ESG in a nutshell



As YZJFH was only incorporated on 14 Dec 2021, we do not have details of its ESG performance. We think its asset light business model translates into a minimal impact on the environment. Furthermore, YZJFH could fare well in terms of corporate governance given that its management team has an average relevant experience of 17 years. ESG is also among its five key investment focus areas and themes for its investment portfolio.

Keep your eye on

In 2019, YZJFH's Executive Chairman and Executive Director Mr Ren Yuanlin was reportedly involved in the Chinese government's anti-corruption investigations into Liu Jianguo, the former party secretary of Jingjiang City.

Implications

Since it has been almost two years since the controversy, we believe that the issue no longer has any impact on YZJFH's share price.

ESG highlights

YZJFH, in its slides dated 14 Apr 2022, stated that its corporate governance will centre on transparency, with the aim of delivering sustainable value to shareholders.

Implications

We believe the "strong focus on transparency" further strengthens its already experienced management team, which has extensive experience in China domestic and cross border investments.

Trends

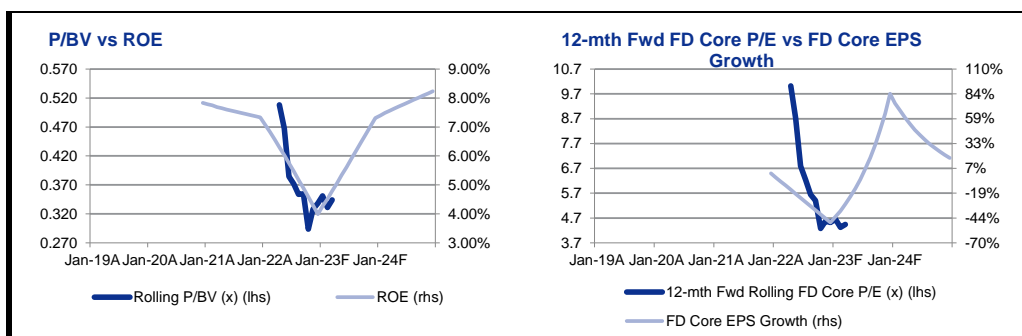
YZJFH has said that ESG, including clean/new energy and strategic investments in the shipping industry, will be among its five key investment focus areas and themes for its investment portfolio.

Implications

We believe that YZJFH's green investing will attract customers and/or investment partners who are equally keen on ESG-related investments.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total Net Revenues	384.8	306.2	417.3	486.1	535.6
Gross Profit	384.8	306.2	417.3	486.1	535.6
Operating EBITDA	371.9	153.1	306.4	368.0	409.3
Depreciation And Amortisation	0.0	0.0	0.0	0.0	0.0
Operating EBIT	371.9	153.1	306.4	368.0	409.3
Financial Income/(Expense)	0.0	0.0	0.0	0.0	0.0
Pretax Income/(Loss) from Assoc.	55.3	6.7	7.3	8.1	8.9
Non-Operating Income/(Expense)	0.0	36.6	37.3	38.1	38.8
Profit Before Tax (pre-EI)	427.2	196.4	351.1	414.2	457.1
Exceptional Items					
Pre-tax Profit	427.2	196.4	351.1	414.2	457.1
Taxation	(99.9)	(34.4)	(61.4)	(72.5)	(80.0)
Exceptional Income - post-tax					
Profit After Tax	327.2	162.0	289.6	341.7	377.1
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	327.2	162.0	289.6	341.7	377.1
Recurring Net Profit	327.2	162.0	289.6	341.7	377.1
Fully Diluted Recurring Net Profit	327.2	162.0	289.6	341.7	377.1

Cash Flow

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
EBITDA	371.9	153.1	306.4	368.0	409.3
Cash Flow from Inv. & Assoc.					
Change In Working Capital	518.4	101.0	22.9	(0.6)	(0.5)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(15.6)	366.5	0.0	0.0	0.0
Net Interest (Paid)/Received	0.0	0.0	0.0	0.0	0.0
Tax Paid	(74.6)	(87.4)	(28.9)	(61.4)	(72.5)
Cashflow From Operations	800.1	533.2	300.5	306.0	336.4
Capex	0.0	(0.0)	0.0	0.0	0.0
Disposals Of FAs/subsidiaries	101.6	113.9	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	(97.0)	(371.4)	0.0	0.0	0.0
Other Investing Cashflow	136.8	33.8	0.0	0.0	0.0
Cash Flow From Investing	141.4	(223.7)	0.0	0.0	0.0
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(163.5)	(71.1)	(115.9)	(136.7)	(150.8)
Preferred Dividends					
Other Financing Cashflow	(785.0)	702.9	0.0	0.0	0.0
Cash Flow From Financing	(948.6)	631.8	(115.9)	(136.7)	(150.8)
Total Cash Generated	(7.0)	941.4	184.6	169.3	185.6
Free Cashflow To Equity	941.6	309.6	300.5	306.0	336.4
Free Cashflow To Firm	941.6	309.6	300.5	306.0	336.4

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total Cash And Equivalents	96	677	900	1,109	1,335
Total Debtors	25	27	4	4	5
Inventories					
Total Other Current Assets	3,360	2,265	2,265	2,265	2,265
Total Current Assets	3,481	2,968	3,169	3,378	3,605
Fixed Assets	2	3	3	2	2
Total Investments	227	323	330	338	347
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	690	912	911	910	909
Total Non-current Assets	919	1,238	1,244	1,250	1,258
Short-term Debt		14	14	14	14
Current Portion of Long-Term Debt					
Total Creditors	0	0	0	0	0
Other Current Liabilities	68	89	121	132	140
Total Current Liabilities	68	102	135	146	154
Total Long-term Debt		1	1	1	1
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	0	1	1	1	1
Total Provisions	83	229	229	229	229
Total Liabilities	151	332	365	376	383
Shareholders' Equity	4,249	3,874	4,048	4,253	4,479
Minority Interests					
Total Equity	4,249	3,874	4,048	4,253	4,479

Key Ratios

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue Growth	(22.3%)	(20.4%)	36.3%	16.5%	10.2%
Operating EBITDA Growth	3%	(59%)	100%	20%	11%
Operating EBITDA Margin	96.6%	50.0%	73.4%	75.7%	76.4%
Net Cash Per Share (S\$)	0.02	0.18	0.24	0.30	0.36
BVPS (S\$)	1.08	1.05	1.10	1.15	1.21
Gross Interest Cover	N/A	N/A	N/A	N/A	N/A
Effective Tax Rate	23.4%	17.5%	17.5%	17.5%	17.5%
Net Dividend Payout Ratio	NA	41.0%	40.0%	40.0%	40.0%
Accounts Receivables Days	220.6	30.8	13.3	3.1	3.2
Inventory Days	N/A	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A	N/A
ROIC (%)	7.4%	3.2%	8.1%	9.9%	11.1%
ROCE (%)	8.21%	3.62%	7.29%	8.38%	8.88%
Return On Average Assets	7.08%	3.76%	6.72%	7.56%	7.95%

Key Drivers

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Cash deployed for investments	11.0	372.4	737.9	870.1	1,009.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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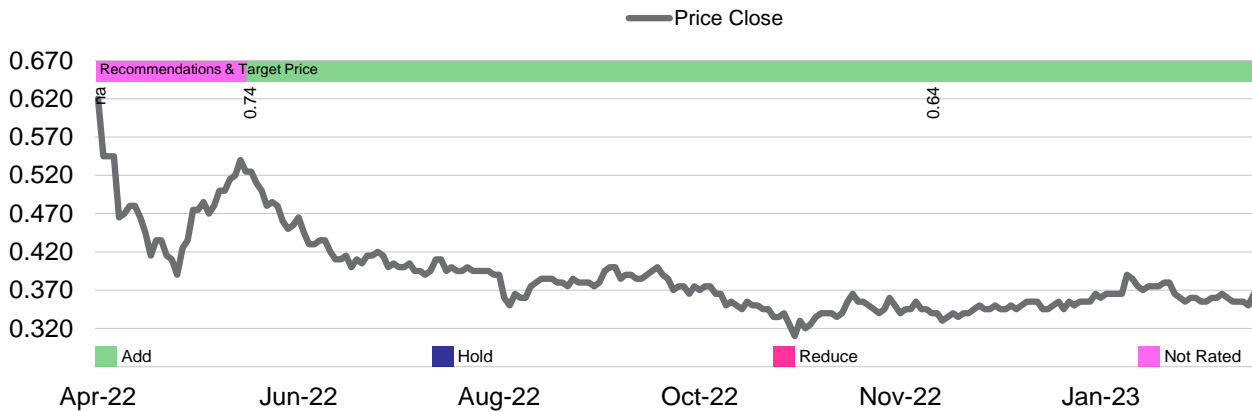
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2022		
645 companies under coverage for quarter ended on 31 December 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	64.8%	1.1%
Hold	27.0%	0.3%
Reduce	8.2%	0.0%

Spitzer Chart for stock being researched (2 year data)

Yangzijiang Financial Holdings (YZJFH SP)



Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.