

# SING INVESTMENTS AND FINANCE LIMITED

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Minutes of the Annual General Meeting (“AGM”) of Sing Investments & Finance Limited held at the Big Picture Theatre at 168 Robinson Road, Capital Tower Level 9, Singapore 068912, on Wednesday 24<sup>th</sup> April 2019 at 3.00 p.m.

## **ATTENDANCE**

Per attendance list.

## **PROCEEDINGS**

### **1. COMMENCEMENT OF MEETING**

- 1.1 Mr Ng Tat Pun, Chairman of the Company, welcomed the members at 3.00 p.m. Having confirmed with the Secretary that there is a quorum for the meeting, the Chairman called the meeting to order.
- 1.2 Chairman introduced the Board of Directors, the external auditor and Head of Finance to the meeting.
- 1.3 Chairman also announced that Dr Joseph Yeong Wee Yong, Mr Lim Poh Suan and Mr Kim Seah Teck Kim would be retiring from the Board at the end of the AGM, and he expressed the Board’s appreciation to the 3 retiring directors for their invaluable service and contributions to the Board and Company over the years.
- 1.4 Some shareholders asked why the 3 directors were retiring and whether there was any possibility of them remaining on the Board. Chairman replied that under SGX and MAS rules, independent directors could only serve 9 years, as in the case of Mr Lim and Mr Kim Seah who had both served 9 years, while Dr Yeong had already served 22 years as non-independent and non-executive director.
- 1.5 Mr Kim Seah, Chairman of Nominating Committee (“NC Chair”), added that among other factors to consider were Board rejuvenation, appropriate talents and size of the Board, which should neither be too small nor too large, and that 2 new and capable directors have also been brought in as replacements since January 2019.

### **2. INTRODUCTION OF POLL VOTING SYSTEM**

- 2.1 Chairman announced that in line with the guideline to conduct all voting by poll for AGMs the Company has appointed BoardRoom Corporate Advisory Services Pte. Ltd. (“BoardRoom”) to conduct the polling using the BR-Poll System. Poll voting slips were given at registration to each shareholder and each proxy. The poll voting slips will be collected after all eight resolutions were voted on. Results of the poll will be announced as soon as they were determined.
- 2.2 The scrutineers for the poll were from Reliance 3P Advisory Pte Ltd.
- 2.3 A representative from BoardRoom gave a briefing on the process of voting using the system. Shareholders were reminded to tick or cross the ‘For’ or ‘Against’ box for each resolution as each resolution was put to vote and sign on the slip before handing them over to the representatives who will collect them for counting.

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## 3. RESOLUTION 1

- 3.1 Chairman noted that proxies lodged were in order. The notice, having been sent out in pre-requisite time, was taken as read. All resolutions will be voted by poll.
- 3.2 Chairman commenced with the first item on the agenda to pass the following Resolution.
- 3.3 “That the Directors' Statement and Audited Financial Statements for the year ended 31st December 2018 together with the Auditors' Report thereon be and are hereby approved and adopted.”
- 3.4 The Chairman invited members to raise any questions they may have on this agenda item. Shareholders raising questions were requested to give their names when raising their questions.
- 3.5 Shareholder A\* complimented the Board for working hard and the good results. He asked whether the relaxation in rules for finance companies would help to increase the Company's business and profitability.
- 3.6 MD replied that the relaxation in rules has indeed benefited the Company in several ways as follows:
- 3.6.1 Now the Company can grant unsecured loans to corporates subject to certain limitations, whereas this was previously not allowed.
  - 3.6.2 The Company can also provide cheque-books to customers, which was also not allowed previously.
  - 3.6.3 The Company can also participate in existing shared payment platforms and networks such as FAST, and the Company will be launching its own payment platform and apps soon.
  - 3.6.4 The Company will also be rolling out a few more new products / initiatives, probably from the third quarter of this year (2019).
- 3.7 Shareholder A\* then asked if the Company would consider launching a “Silver Scheme” for its elderly shareholders. MD replied that he would refer it to the Company's product team for consideration and thanked Shareholder A\* for his suggestion.
- 3.8 Shareholder B\* (proxy for shareholder Shareholder C\*) commented that there are only 3 listed finance companies in Singapore and the potential for financing business is huge in Singapore, such as for property and vehicle purchases. He would like to know how the Company is planning to take advantage of this huge potential to grow its business.
- 3.9 MD replied that the Company has been in this business since the early 70's and has been involved mainly in financing for properties, and also added on hire purchase financing, such as for cars including for car dealers and not just end consumers. However, the Singapore market is actually very small and competitive because other than the 3 listed finance companies, the banks are also involved in the same business.
- 3.10 MD added that the Company is moving along well and aims to diversify its loans portfolio so that it is not heavily reliant on or exposed to loans to any sector or industry.
- 3.11 Shareholder B\* then asked what the Company's competitive advantage is that would attract customers and whether the Company would offer lower interest rates for loans. MD replied that the Company offers good personal service to customers and he encouraged Shareholder B\* to try it out should he need to take a loan. As for lower loan interest rates, MD commented that this would affect the Company's ability to pay good dividends so it might

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not be feasible. However, the interest rate that is offered by the Company is reasonable to remain competitive.

- 3.12 Shareholder B\* added that he himself would like to invest in the Company's shares but he questioned why the daily trading volume of the shares is very low, resulting in investors including existing shareholders having difficulty buying the Company's shares from the open market. MD responded that as a listed company, the directors and substantial shareholders cannot be involved in any form of trading activities that might be deemed to be market manipulation, so we should let the market forces to determine the trading volume.
- 3.13 Shareholder B\* disagreed and he opined that it was due to the Company's profile as many investors might not be aware of the Company. He urged the Board to raise the Company's profile in the public domain and also increase the free float of the Company's shares. MD responded that the Board would take that into consideration and he thanked Shareholder B\* for his comments.
- 3.14 Shareholder D\* sought clarification on whether the amounts for depreciation of property, plant and equipment and investment properties, as reflected in the consolidated statement of profit or loss on page 62 of the annual report, would help to reduce the Company's tax bill.
- 3.15 Mr Chua Hat Eng, Head of Finance Department, replied that there is a difference between accounting and tax treatment for depreciation. The depreciation amount in the financial statements would not qualify for tax deduction per se. However, the tax equivalent of depreciation would be capital allowances which the Company would claim as and when they arise. Differences between accounting depreciation and capital allowances would be accounted for in the deferred tax computation in the financial statements.
- 3.16 Shareholder E\* referred to Note 8 for Loans and Advances on page 129 of the annual report and he raised 2 questions as follows:
- 3.16.1 What was the percentage of factoring receivables among the total amount of S\$1,516,187,000 under "Housing, factoring receivables and other loans"?
- 3.16.2 Was the hire purchase receivables amount for car financing only or did it include some other kinds of hire purchase?
- 3.17 Mr Chua Hat Eng replied to Shareholder E\* 's questions as follows:
- 3.17.1 The percentage of factoring receivables was actually very low and the main bulk of that total amount of S\$1,516,187,000 was property-related loans.
- 3.17.2 The hire purchase receivables consisted of both auto loans and machinery financing.
- 3.18 As there were no further questions, Chairman asked for a proposer and seconder to the motion.
- 3.19 Shareholder D\* proposed and Shareholder B\* seconded the motion for the Resolution.
- 3.20 Chairman then asked the meeting to vote on the Resolution by filling out the polling slip.

## 4. RESOLUTION 2

- 4.1 The meeting moved on to the next item on the agenda:

"That the payment of \$620,000 as Directors' Fees for the year ended 31<sup>st</sup> December 2018 be and is hereby approved."

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- 4.2 Shareholder F\* queried if the increase of \$150,000 in directors' fees as compared to previous year was to reward the 3 retiring directors. Chairman replied yes as there was an additional gratuity payment of \$50,000 to each of the 3 retiring directors.
- 4.3 As there were no further comments or questions, Chairman asked for a proposer and seconder to the motion.
- 4.4 The motion was proposed by Shareholder F\* and seconded by Shareholder D\*.
- 4.5 Chairman then asked the meeting to vote on the Resolution.

### 5. RESOLUTION 3

- 5.1 The next item for the meeting to consider was:

“That the first and final dividend of 7 cents per ordinary share (one-tier tax exempt) for the financial year ended 31<sup>st</sup> December 2018 be and is hereby approved.”

The final dividend, if approved, will be paid to shareholders on 9<sup>th</sup> May 2019. As announced on 26<sup>th</sup> March 2019, the book closure date will be on 30<sup>th</sup> April 2019 at 5.00 p.m. and the share transfer books and registers will be closed on 2<sup>nd</sup> May 2019.

- 5.2 Shareholder G\* asked why there was no increase in dividend declared despite the Company's improved results. MD replied that the Company's dividend declaration has always been quite consistent, by declaring about half its yearly earnings as dividend. He added that going forward, there would be substantial capital expenditure required to bring the Company to the next level of digitalisation which is very costly, therefore more cash reserves would need to be put aside.
- 5.3 Shareholder F\* commented that the Company's dividend cover was above 4 times based on accumulated profits and he asked if the Company's capital expenditure would be so high as to justify maintaining such relatively high accumulated profits.
- 5.4 In response, MD reiterated that the Company aims to maintain a consistent level of dividend payout. He also stressed the importance of maintaining sufficiently high reserves to enable the Company to grow and progress to the next stage, especially in the current environment where there are a lot of constant changes from the basic operational level to the top strategic level. Therefore, the Company must be very prudent in declaring dividend, unless the business can do a lot better which would then justify a much higher dividend payout.
- 5.5 Chairman concurred that there are indeed a lot of constant changes in the banking and finance environment and with the relaxation of rules for finance companies by MAS, the Company has taken the decision to invest in certain hardware and software to bring the Company forward, so as to ensure that the Company is keeping up with the times and not be left behind.
- 5.6 Shareholder F\* then pointed out that besides the hardware and software, staff retention is also important. He also suggested that the Company should try to raise its profile, as mentioned by Shareholder B\* earlier, so as to make it a more exciting place to work.
- 5.7 MD explained that there were other factors involved in employees leaving and joining, such as redundancies where certain positions were no longer needed due to automation of process, as well as changes in staffing requirement including recruitment for new roles and expertise such as in technology.

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- 5.8 However, MD acknowledged that it is not easy to retain staff, especially the younger ones, and the Company is always constantly trying its best to do so. MD also noted Shareholder F's\* suggestion to raise the Company's profile.
- 5.9 Shareholder B\* then raised the following questions:
- 5.9.1 How much capital expenditure would be required for the Company's digitalisation drive mentioned by Chairman and MD earlier and what would be the timeframe?
- 5.9.2 It was mentioned in a Business Times report that 1 in 3 bank jobs would merge and become redundant in the next 3 years, so how would this affect the Company and its digitalisation drive?
- 5.10 MD replied to Shareholder B's\* questions as follows:
- 5.10.1 It was not possible to quantify exactly how much capital expenditure would be required at this stage as this is an on-going process, but it was estimated to be a few million dollars over an estimated timeframe of 2 to 3 years.
- 5.10.2 The Company would be similarly affected by the projected changes in the nature of banking jobs, as there has been a shift in skills requirements in the banking and finance industry, so there is a lot of retraining and re-adjustment at every job level in the industry and the Company also has to constantly provide training to its staff, including in new areas.
- 5.11 As there were no further comments or questions, Chairman asked for a proposer and seconder to the motion.
- 5.12 The motion was proposed by Shareholder D\* and seconded by Shareholder B\*.
- 5.13 Chairman then asked the meeting to vote on the Resolution.

## 6. RESOLUTION 4

- 6.1 The meeting moved on to the next item on the agenda:
- “That Mr Ng Tat Pun who retires pursuant to Regulation 109 of the Constitution of the Company be and is hereby re-elected as a Director of the Company.”
- 6.2 As this related to Chairman's re-election, he handed over the chairmanship of the meeting to Mr Kim Seah, NC Chair, to deal with this Resolution.
- 6.3 As there were no questions, Mr Kim Seah asked for a proposer and seconder to the motion.
- 6.4 The motion for this Resolution was proposed by Shareholder F\* and seconded by Shareholder D\*.
- 6.5 Mr Kim Seah then asked the meeting to vote on the Resolution and thereafter, he handed over to Chairman to continue chairing the meeting.

## 7. RESOLUTION 5

- 7.1 Chairman moved on to the next item on the agenda:
- “That Mr Lee Sze Leong who retires pursuant to Regulation 109 of the Constitution of the Company be and is hereby re-elected as a Director of the Company.”

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- 7.2 As there were no questions, Chairman asked for a proposer and seconder to the motion.
- 7.3 The motion was proposed by Shareholder D\* and seconded by Shareholder B\*.
- 7.4 Chairman then asked the meeting to vote on the Resolution.

### **8. RESOLUTION 6**

- 8.1 Chairman moved on to the next item on the agenda:

“That Mr Toh Kian Leong Joseph who retires pursuant to Regulation 119 of the Constitution of the Company be and is hereby re-elected as a Director of the Company.”

- 8.2 Shareholder D\* brought up the issue of Mr Joseph Toh having been interviewed by CAD (Commercial Affairs Department) previously in his capacity as an audit engagement partner, for a fraud case involving his former audit client’s employee, as disclosed in the SGX announcement for his appointment as director in January 2019. Shareholder D\* wanted to clarify if it was Mr Toh who had detected the fraud in that particular case.
- 8.3 Chairman commented that Mr Joseph Toh’s appointment as director had been cleared with MAS so there was no issue at all. Mr Joseph Toh also replied that the fraud in that case was not detected by him, and CAD had merely interviewed him for that case but did not call him up anymore subsequently.
- 8.4 As there were no further comments or questions, Chairman asked for a proposer and seconder to the motion.
- 8.5 The motion was proposed by Shareholder D\* and seconded by Shareholder F\*.
- 8.6 Chairman then asked the meeting to vote on the Resolution.

### **9. RESOLUTION 7**

- 9.1 Chairman moved on to the next item on the agenda:

“That Mr Lau Hwai Keong Michael who retires pursuant to Regulation 119 of the Constitution of the Company be and is hereby re-elected as a Director of the Company.”

- 9.2 As there were no questions, Chairman asked for a proposer and seconder to the motion.
- 9.3 The motion was proposed by Shareholder F\* and seconded by Shareholder D\*.
- 9.4 Chairman then asked the meeting to vote on the Resolution.

### **10. RESOLUTION 8**

- 10.1 The next agenda item was on appointment of auditors:

“That Messrs Deloitte & Touche LLP be and is hereby appointed as Auditors of the Company for the next financial year and the Directors be authorised to fix their remuneration.”

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10.2 As there were no questions, Chairman asked for a proposer and seconder to the motion.

10.3 The motion was proposed by Shareholder F\* and seconded by Shareholder D\*.

10.4 Chairman then asked the meeting to vote on the Resolution.

## SPECIAL BUSINESS

### 11. RESOLUTION 9

11.1 As there was no notice of other business submitted to the AGM the Chairman moved on to the special business to consider the following Resolution:

“That pursuant to Section 161 of the Companies Act, Cap 50 and Rule 806 of the listing Manual of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion consider fit; and

- (b) for the avoidance of doubt, notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that :

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this resolution is passed, after adjusting for :
  - (i) new shares arising from the conversion or exercise of any convertible securities;
  - (ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this resolution; and



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(iii) any subsequent bonus issue, consolidation or sub-division of shares

- (3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

11.2 As there were no questions, Chairman asked for a proposer and seconder to the motion.

11.3 The motion was proposed by Shareholder F\* and seconded by Shareholder D\*.

11.4 Chairman then asked the meeting to vote on the Resolution.

\* The identity of the shareholder is separately maintained in the register of the Company Secretary

## 12. Adjournment of meeting

The meeting was adjourned for reception and tea while waiting for the counting of votes.

## 13. Resumption of meeting

13.1 Upon completion of the counting of votes, the meeting was resumed and called to order again.

13.2 A quorum was confirmed to be present.

13.3 The following results of poll, as checked by the scrutineers, were announced by a representative from BoardRoom on behalf of Chairman:

Resolution number and details	Total no. of shares represented by votes for and against the resolution	FOR		AGAINST	
		Number of shares	As a percentage of total votes (%)	Number of shares	As a percentage of total votes (%)
<b>Ordinary Resolution 1</b> Adoption of the Directors' Statement and Audited Financial Statements for the year ended 31 December 2018 together with the Auditors' Report thereon	54,079,961	54,079,961	100.00	0	-
<b>Ordinary Resolution 2</b> Approval of Directors' fees for the financial year ended 31 December 2018	54,079,961	53,930,461	99.72	149,500	0.28



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Resolution number and details	Total no. of shares represented by votes for and against the resolution	FOR		AGAINST	
		Number of shares	As a percentage of total votes (%)	Number of shares	As a percentage of total votes (%)
<b>Ordinary Resolution 3</b> Declaration of first and final one-tier tax exempt dividend for the financial year ended 31 December 2018	54,079,961	54,079,961	100.00	0	-
<b>Ordinary Resolution 4</b> Re-election of Mr Ng Tat Pun as Director	54,079,961	53,905,761	99.68	174,200	0.32
<b>Ordinary Resolution 5</b> Re-election of Mr Lee Sze Leong as Director	54,079,961	53,866,061	99.60	213,900	0.40
<b>Ordinary Resolution 6</b> Re-election of Mr Toh Kian Leong Joseph as Director	54,075,961	53,930,361	99.73	145,600	0.27
<b>Ordinary Resolution 7</b> Re-election of Mr Lau Hwai Keong Michael as Director	54,079,961	53,934,361	99.73	145,600	0.27
<b>Ordinary Resolution 8</b> Re-appointment of Messrs Deloitte & Touche LLP as Auditors and authorising the Directors to fix their remuneration	54,079,961	53,919,961	99.70	160,000	0.30
<b>Ordinary Resolution 9</b> As Special Business – approval of general mandate for the Directors to issue new shares or convertible instruments	54,079,961	53,168,086	98.31	911,875	1.69

13.4 Chairman declared each Resolution above carried and passed at the AGM.

## 14. CONCLUSION

There were no other matters raised and the Chairman closed the meeting at 4.47 p.m.

Recorded by:

Confirmed by:

Tan Mui Sang  
Joint Company Secretary

Mr Ng Tat Pun  
Chairman of the Board