

SING INVESTMENTS AND FINANCE LIMITED

Minutes of the Annual General Meeting of Sing Investments & Finance Limited held at the Big Picture Theatre at 168 Robinson Road, Capital Tower, Level 9, Singapore 068912, on Wednesday, 26 April 2023 at 3.00 p.m.

ATTENDANCE

Per attendance list.

PROCEEDINGS

1. COMMENCEMENT OF MEETING

- 1.1 Mr Chee Jin Kiong, the Chairman of the Company, welcomed the members at 3.00 p.m. The Chairman noted that no questions had been received from Shareholders as at the cut-off time set out in the Notice of Annual General Meeting (“AGM”). However, it was noted that the Company had received questions from the Securities Investors Association (Singapore) which had been addressed by way of an announcement on 20 April 2023.
- 1.2 Having confirmed with the Secretary that there is a quorum for the meeting, the Chairman called the meeting to order.
- 1.3 The Chairman introduced the Board of Directors to the meeting.

2. INTRODUCTION OF POLL VOTING SYSTEM

- 2.1 The Chairman announced that in line with the guidelines of the Code of Corporate Governance which include putting all resolutions at the AGM to vote by poll to enhance transparency by according due respect to the full voting rights of shareholders, all motions tabled at this meeting will be voted by way of a poll. The Chairman noted that 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 proxy. The poll voting slips would be collected after all seven resolutions were voted on. The results of the poll would be announced as soon as they were determined.
- 2.2 The scrutineers for the poll were from CNP Business Advisory Pte. Ltd.
- 2.3 A representative from CNP Business Advisory Pte. Ltd. gave a briefing on the process of voting using the BR-Poll System. Shareholders and proxies were reminded to tick or cross the ‘For’, ‘Against’ or ‘Abstaining’ 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.
- 2.4 The Chairman noted that proxies lodged were in order. The notice, having been circulated to shareholders by publication on SGXNET and the Company’s website and having been in the shareholders’ possession for the statutory period, was taken as read. All resolutions will be voted by poll.
- 2.5 The Chairman noted that as Chairman of the AGM, he had been appointed as proxy by some shareholders to vote for and against certain resolutions, and to abstain from voting on certain resolutions, to be proposed at the meeting. The Chairman shall be voting according to the shareholders’ directions stated in the proxy forms.

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3. RESOLUTION 1

3.1 The Chairman commenced with the first item on the agenda to pass the following Resolution.

“That the Directors' statement and audited financial statements for the year ended 31 December 2022 together with the auditor's report thereon be and are hereby approved and adopted.”

3.2 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.

3.3 Shareholder A raised the following questions to the Board:

- (a) On the Performance Review on page 64 of the annual report, whether the Board plans to continue reducing the capital adequacy ratio (“**CAR**”) or increase the ratio as it was noted that the CAR had dropped from 17.0% in 2021 to 15.6% in 2022;
- (b) On Non-interest Income on page 67 of the annual report, the reason for the drop in the rental income by 8.2%;
- (c) On Operating Expenses on page 67 of the annual report, the cause for the increase in the depreciation of property, plant and equipment by 10.9%; and
- (d) The initiatives to change the demographics of clients as it was noted that the Company has a more elderly customer base.

3.4 Mr Lee Sze Leong (“**Mr Lee**”) replied to Shareholder A's questions as follows:

- (a) The Company's strategy is to deploy its assets effectively while meeting the minimum regulatory CAR requirement of 12%. The Company usually maintains its CAR at between 13.0% and 15.0%, with a healthy buffer above the regulatory minimum;
- (b) The drop in rental income was due to the competitive rentals offered by the Company to retain tenants during the COVID-19 pandemic. The office rental market has since improved and the occupancy rate of the SIF Building is presently close to 100%;
- (c) The increase in operating expenses was due to investments in technology to stay competitive in the digital age; and
- (d) Since the launch of its internet banking and phone applications, the Company has attracted more younger customers. While it is important to diversify the customer base, the Company will always serve and support all customers, including the more elderly ones.

3.5 Shareholder B sought to understand the impact of high interest rates on the Company's net interest margin (“**NIM**”), especially in the second half of 2022. Shareholder B noted that the NIM in 2022 was 2.19%, compared to 2.10% in 2021, but the margin expansion was lower compared to other Singapore financial institutions.

3.6 Mr Patrick Ling (“**Mr Ling**”) replied that the Company's NIM in the second half of 2022 was 2.28%, higher than the full year average of 2.19%, and went on to explain that each financial institution has its own product mix, some with more products priced based on market benchmarks such as Singapore Overnight Rate Average or SORA, while others, more on board rates. Thus, each lender performs differently as market interests change.

3.7 Shareholder B further stated that the increase in NIM was smaller for the Company as compared with other financial institutions.

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- 3.8 Mr Ling explained that the Company's strategy, proven to deliver long term growth, is to focus on growing its business fundamentally while managing the cyclical changes in interest rates. Mr Ling highlighted that the customer loans have grown by 12.4% in 2022, placing the Company as the top performer among its peers.
- 3.9 Shareholder B noted that many medium sized institutions have faced pressures on their deposits. As such, he wished to know whether for 2023, the Company would similarly face higher withdrawal of deposits.
- 3.10 Mr Lee replied that the Company has not seen higher-than-usual withdrawals but on the contrary, its liquidity has improved in 2023.
- 3.11 Shareholder B noted the expansion in the Company's customer loans and wanted to know the risks facing the loan book. In this regard, Shareholder B inquired about the split of the loans between (a) secured and unsecured, and (b) exposures to retail and small and medium enterprises ("SMEs").
- 3.12 Mr Lee replied that only a small portion and less than 10% of the loans are unsecured and the Company only grants unsecured loans to corporate customers. Mr Lee further replied that the Company grants more loans to SMEs as compared to retail customers.
- 3.13 Shareholder B proceeded to query about the Company's strategy on customer and product positioning. Mr Lee replied that the Company's primary focus is to continue serving the current customers well, while consistently improving their banking experience through digitisation. Believing in going digital with a human touch, the Company offers online and physical services to provide our customers with the best of both worlds.
- 3.14 Shareholder C wished to know whether the loans offered by the Company are on a long-term fixed rate basis, and the deposits, on a short-term variable rate basis.
- 3.15 Mr Lee replied that the majority of the Company's loans are on a variable rate basis and therefore as the rates move, the Company is able to adjust the interests of its loans. Mr Lee also stressed that challenging as it may be, the Company constantly juggles different aspects of its loan and deposit books to deliver strong financial results.
- 3.16 Shareholder D expressed that he was pleasantly surprised that the Company would be issuing bonus shares but sought to understand the impact of the bonus issue on the share performance.
- 3.17 Mr Lee assured shareholders that there would not be a dilution of shares and shareholders would not be worse off solely due to the bonus issue.
- 3.18 Shareholder D suggested for the Company to consider a merger with other financial institutions or an acquisition of suitable competitors. Mr Lee replied that the Management is open to any suggestion that will be beneficial to the Company but presently the Management is not in talks with any party.
- 3.19 As there were no further questions, the motion was proposed by the Chairman and seconded by Shareholder A.
- 3.20 The Chairman then asked the meeting to vote on the Resolution.

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4. RESOLUTION 2

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

“That the payment of \$480,000 as Directors’ fees for the year ended 31 December 2022 be and is hereby approved.”

4.2 As there were no comments or questions, the motion was proposed by the Chairman and seconded by Shareholder E.

4.3 The 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 one-tier tax exempt dividend of 10 cents per ordinary share for the financial year ended 31 December 2022 be and is hereby approved.”

5.2 The final dividend, if approved, will be paid to shareholders on 11 May 2023. As announced on 27 March 2023, the record date will be on 2 May 2023 at 5.00 p.m. and the share transfer books and registers will be closed on 2 May 2023.

5.3 Shareholder B asked if the Company had a dividend policy or guidance in place. Mr Lee replied in the affirmative and stated that the Company generally distributes approximately 40% or more of its earnings to its shareholders, subject to compliance with statutory reserve and other regulatory requirements, and ensuring that the Company has sufficient capital to grow its business.

5.4 Shareholder D suggested that the Company distributes dividends in a comparable range, i.e. around 10 cents, to the shareholders in future. Mr Lee replied that the Company would like to distribute more dividends to its shareholders but the distribution is dependent on its earnings for the year to ensure adequate capital and resources for future growth.

5.5 As there were no further comments or questions, the motion was proposed by the Chairman and seconded by Shareholder F.

5.6 The 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 Lee Sze Siong who retires pursuant to Regulation 109 of the Constitution of the Company be and is hereby re-elected as a Director of the Company. It was noted that Mr Lee Sze Siong would upon re-election remain as a Deputy Managing Director of the Company, a member of the Risk Management Committee and the Loan Committee.”

6.2 As there were no comments or questions, the motion was proposed by the Chairman and seconded by Shareholder F.

6.3 The Chairman then asked the meeting to vote on the Resolution.

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7 ITEM 5

- 7.1 The Chairman moved on to the next item on the agenda.
- 7.2 As this item was related to the Chairman's retirement, he handed over the chairmanship of the meeting to Mr Lee, the Managing Director, to preside over this Resolution.
- 7.3 Mr Lee noted that the Chairman would be retiring pursuant to Regulation 109 of the Constitution of the Company at the end of the Annual General Meeting and expressed the Board's appreciation to the Chairman for his invaluable service and contributions to the Board and Company over the years.
- 7.4 Mr Lee handed over to the chairmanship back to the Chairman to continue chairing the meeting.

8 RESOLUTION 5

- 8.1 The Chairman moved on to the next item on the agenda:
- “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.”
- 8.2 As there were no comments or questions, the motion was proposed by Chairman and seconded by Shareholder G.
- 8.3 The Chairman then asked the meeting to vote on the Resolution.

SPECIAL BUSINESS

9 RESOLUTION 6

- 9.1 As there was no notice of other business submitted to the AGM, the Chairman moved on to the special business to consider the following Resolutions:

“That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), 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

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- (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 and subsidiary holdings) 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 and subsidiary holdings) 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 and subsidiary holdings) 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
 - (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 Constitution 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.”

9.2 As there were no comments or questions, the motion was proposed by the Chairman and seconded by Shareholder F.

9.3 The Chairman then asked the meeting to vote on the Resolution.

10 RESOLUTION 7

10.1 The Chairman moved on to the next item on the agenda:

“That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Sing Investments & Finance Limited Performance Share Plan 2020 (the “PSP”) and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and/or issued pursuant to the vesting of the awards provided

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that the aggregate number of shares available under the PSP and any other share-based schemes which the Company may implement from time to time, and the PSP, shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the date of the awards.”

10.2 As there were no comments or questions, the motion was proposed by the Chairman and seconded by Shareholder G.

10.3 The Chairman then asked the meeting to vote on the Resolution.

11 ADJOURNMENT OF MEETING

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

12 RESUMPTION OF MEETING

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

12.2 A quorum was confirmed to be present.

12.3 The following results of poll, as checked by the scrutineers, were announced by a representative from Boardroom on behalf of the 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 (%)
<u>Ordinary Resolution 1</u> Adoption of the Directors' statement and audited financial statements for the year ended 31 December 2022 together with the auditor's report thereon	56,746,540	56,561,240	99.67	185,300	0.33
<u>Ordinary Resolution 2</u> Approval of Directors' fees for the financial year ended 31 December 2022	56,712,490	56,527,190	99.67	185,300	0.33
<u>Ordinary Resolution 3</u> Declaration of first and final one-tier tax exempt dividend for the financial year ended 31 December 2022	56,602,540	56,567,240	99.94	35,300	0.06

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Ordinary Resolution 4 Re-election of Mr Lee Sze Siong as Director	56,752,540	56,567,240	99.67	185,300	0.33
Ordinary Resolution 5 Re-appointment of Messrs Deloitte & Touche LLP as auditors and authorizing the Directors to fix their remuneration	56,752,540	56,567,240	99.67	185,300	0.33
Ordinary Resolution 6 As Special Business – Approval of general mandate for the Directors to issue new shares or convertible instruments	56,751,540	55,865,065	98.44	886,475	1.56
Ordinary Resolution 7 As Special Business – Approval of the authority to issue shares under Sing Investments & Finance Limited Performance Share Plan 2020	56,750,490	55,357,615	97.55	1,392,875	2.45

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

13 CONCLUSION

There were no other matters raised and the Chairman closed the meeting at 4.40 p.m.

Mr Chee Jin Kiong
Chairman of the Board