



**SINGAPURA FINANCE LTD**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 196900340N)

Minutes of the Annual General Meeting (hereinafter referred to as the “AGM” or the “Meeting”) of Singapore Finance Ltd (hereinafter referred to as the “Company”) held at 391A Orchard Road, Tower A, #26-00, Ngee Ann City, Singapore 238873 on Wednesday, 19 April 2023 at 11.00 a.m.

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**PRESENT**

Board of Directors

*In Attendance:*

Mrs Yu-Foo Yee Shoon (Chairman of the Meeting)  
Mr Jamie Teo Miang Yeow (Executive Director and Chief Executive Officer)  
Mr Teoh Eng Hong  
Mr William Ho Ah Seng  
Mdm Tan Hui Keng, Martha  
Mr Adam Tan Chin Han  
Mr Terence Khoo Chi Siang

*Absent with apologies:*

Mr Teo Chiang Long (Executive Chairman)

Shareholders who attended

As per Attendance List.

Representative of the Company Secretary, Boardroom Corporate & Advisory Services Pte Ltd

Mr Jonathan Lee

Share Registrar & Share Transfer Office, M&C Services Private Limited

Ms Amelia Wong

Management & Staff

*In Attendance:*

Ms Ong Poh Ling, Financial Controller  
Ms Blandina Chia, Head (Credit Review) and Assistant Company Secretary  
Mr Damian Wong, Head (Internal Audit)  
Ms Tracy Kang, Internal Auditor

**By Invitation**

Mr Melvin Yeo, GM (Information System & Digital Transformation)  
Ms Nora Lee, AGM (Marketing)  
Ms Lilian Tan, Head (HR)  
Ms Joanna Chong, Head (Accounts)  
Mr Loo Hock Lye, Head (Risk Management)  
Ms Yvonne Nyam, Head (Customer Centre)  
Ms Winny Ho, Head (Compliance)  
Mr Benson Tan, Deputy Head (Marketing)

External Auditor, KPMG LLP

Mr Chen Junwei, Partner  
Mr Yee Zhen Hooi, Manager

Boardroom Corporate & Advisory Services Pte Ltd

Ms Lexi Shim  
Ms Apple Hoo

## **QUORUM AND INTRODUCTION**

A quorum being present, Chairman called the AGM to order.

Chairman welcomed the shareholders who had joined the 53<sup>rd</sup> AGM of the Company.

Chairman took the opportunity to introduce the Directors present, the Management team, the Representatives of the Company Secretary and the Share Registrar.

## **NOTICE OF MEETING**

Chairman took the Notice of AGM issued on 28 March 2023 as read.

## **APPOINTING CHAIRMAN OF MEETING AS PROXY AND POLL VOTING**

Chairman informed the shareholders that all resolutions tabled at the general meeting would be voted by way of electronic poll and in her capacity as Chairman of the Meeting, she had been appointed as proxy by certain shareholders who had directed her to vote on their behalf and she would vote in accordance with the directions of the shareholders concerned.

Mr Damian Wong, the Company's internal auditor and Trusted Services Pte. Ltd. had been appointed as Scrutineer and Polling Agent respectively.

A short video on how to use the electronic poll voting to vote during the course of this AGM was presented to Shareholders and Chairman invited Shareholders to submit their questions.

The CEO, Chairman of the Risk Management Committee and Chairperson of the Audit Committee responded to the substantial and relevant questions ("Q&A") raised by the Shareholders during the Meeting (please refer to Appendix A).

After completing the Q&A session, Chairman proceeded to read out the resolutions tabled at this AGM as set out below.

## **ORDINARY BUSINESS:**

### **Resolution 1 – Adoption of Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report**

Resolution 1 was to receive the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022, together with the Auditors' Report thereon.

Chairman proposed and a shareholder present duly seconded the following motion:

"That the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022, together with the Auditors' Report be received and adopted."

Chairman put the motion to vote. The poll results were tabulated and presented to shareholders as follows:

- Votes FOR the resolution: 83,857,974 votes or 99.9%.
- Votes AGAINST the resolution: 84,000 votes or 0.1%.

Chairman declared the resolution carried.

**Resolution 2 – Declaration of First and Final Dividend and Special Dividend**

Chairman informed that the Board has recommended a first and final dividend (one-tier tax-exempt) of 2.0 cents per share and a special dividend (one-tier tax-exempt) of 1.25 cents per share for the year ended 31 December 2022.

Chairman proposed and a shareholder present duly seconded the following motion:

“That a first and final dividend (one-tier tax-exempt) of 2.0 cents per share and a special dividend (one-tier tax-exempt) of 1.25 cents per share for the year ended 31 December 2022 be approved.”

Chairman put the motion to vote. The poll results were tabulated and presented to shareholders as follows:

- Votes FOR the resolution: 83,966,984 votes or 99.9%.
- Votes AGAINST the resolution: 84,000 votes or 0.1%.

Chairman declared the resolution carried.

Chairman informed that the last day for registration for dividends entitlement is 26 April 2023 at 5 p.m. The closure of share transfer books and the register of members is 27 April 2023 and the dividends payment date is 4 May 2023.

**Resolution 3(a) – Re-election of Mr Teo Chiang Long as a Director of the Company**

Mr Teo Chiang Long who was retiring as a Director of the Company pursuant to Article 97 of the Company's Constitution had signified his consent to continue in office.

Mr Teo Chiang Long would, upon re-election as a Director of the Company, continue as the Executive Chairman of the Board and a member of the Executive Committee.

Chairman proposed and a shareholder present duly seconded the motion to re-elect Mr Teo Chiang Long as a Director of the Company.

Chairman put the motion to vote. The poll results were tabulated and presented to shareholders as follows:

- Votes FOR the resolution: 83,883,784 votes or 99.86%.
- Votes AGAINST the resolution: 117,200 votes or 0.14%.

Chairman declared the resolution carried.

**Resolution 3(b) – Re-election of Mr William Ho Ah Seng as a Director of the Company**

Mr William Ho Ah Seng who was retiring as a Director of the Company pursuant to Article 97 of the Company's Constitution had signified his consent to continue in office.

Mr William Ho Ah Seng would, upon re-election as a Director of the Company, continue as a member of Audit, Remuneration, Nominating and Risk Management Committees and will be considered independent.

Chairman proposed and a shareholder present duly seconded the motion to re-elect Mr William Ho Ah Seng as a Director of the Company.

Chairman put the motion to vote. The poll results were tabulated and presented to Shareholders as follows:

- Votes FOR the resolution: 83,816,384 votes or 99.85%.
- Votes AGAINST the resolution: 126,000 votes or 0.15%.

Chairman declared the resolution carried.

**Resolution 3(c) – Re-election of Mr Terence Khoo Chi Siang as a Director of the Company**

Mr Terence Khoo Chi Siang who was retiring as a Director of the Company pursuant to Article 97 of the Company's Constitution had signified his consent to continue in office.

Mr Terence Khoo Chi Siang would, upon re-election as a Director of the Company, continue as Chairman of Digitalization Committee and a member of the Audit, Remuneration, Nominating and Risk Management Committees and will be considered independent.

Chairman proposed and a shareholder present seconded the motion to re-elect Mr Terence Khoo Chi Siang as a Director of the Company.

Chairman put the motion to vote. The poll results were tabulated and presented to Shareholders as follows:

- Votes FOR the resolution: 83,887,984 votes or 99.87%.
- Votes AGAINST the resolution: 107,000 votes or 0.13%.

Chairman declared the resolution carried.

**Resolution 4 – Approval of Directors' fees of S\$480,000 for the year ended 31 December 2022**

Chairman sought shareholders' approval to pay the amount of S\$480,000 as Directors' fees for the year ended 31 December 2022.

Chairman proposed and a shareholder present seconded the following motion:

"That the payment of Directors' fees of S\$480,000 for the year ended 31 December 2022 be approved."

Chairman put the motion to vote. The poll results were tabulated and presented to shareholders as follows:

- Votes FOR the resolution: 83,808,784 votes or 99.79%.
- Votes AGAINST the resolution: 179,100 votes or 0.21%.

Chairman declared the resolution carried.

**Resolution 5 – Re-appointment of KPMG LLP as Auditors of the Company and authorisation for Directors to fix their remuneration**

Resolution 5 was to re-appoint KPMG LLP as Auditors of the Company. KPMG LLP had expressed their willingness for re-appointment as Auditors of the Company.

Chairman proposed and a shareholder present duly seconded the following motion:

"That KPMG LLP be re-appointed as the Auditors of the Company and that the Directors be authorised to fix their remuneration."

Chairman put the motion to vote. The poll results were tabulated and presented to Shareholders as follows:

- Votes FOR the resolution: 83,889,884 votes or 99.87%.
- Votes AGAINST the resolution: 105,100 votes or 0.13%.

Chairman declared the resolution carried.

**Any other ordinary business**

As no notice of any other business had been received by the Secretary, the Meeting proceeded to deal with the special business of the Meeting.

**SPECIAL BUSINESS:**

**Resolution 6 – Authority to issue shares and to make or grant instruments convertible into shares**

Resolution 6 was to authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Chairman proposed and a shareholder present duly seconded the following motion:

“That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares of 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 and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (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 of the Company 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) shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (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 shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (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 of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from the exercise of share option or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (c) any subsequent bonus issue, or consolidation or subdivision of shares;

and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.

Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST 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) the authority conferred by this Resolution 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.”

Chairman put the motion to vote. The poll results were tabulated and presented to Shareholders as follows:

- Votes FOR the resolution: 83,654,184 votes or 99.52%.
- Votes AGAINST the resolution: 400,700 votes or 0.48%.

Chairman declared the resolution carried.

### **CLOSE OF THE MEETING**

There being no other business, Chairman thanked shareholders for their attendance and declared the Meeting closed at 12.10 p.m.

Certified as a True Record of Minutes

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Yu-Foo Yee Shoon  
Chairman

## SINGAPURA FINANCE LTD (the “Company”)

**SUMMARY OF QUESTION-AND-ANSWER SESSION  
AT THE ANNUAL GENERAL MEETING  
HELD ON 19 APRIL 2023**

1. **Question (Shareholder 1)** : Referring to Page 8 of the Annual Report (“AR”), the shareholder expressed his disappointment with the financial results. He sought clarification as to why the Company is underperforming compared to other listed comparable financial institutions (“FIs” He noted the following key financial ratios, in comparison to other FIs, were high and an indication that the Company is underperforming: -

1. Cost-to-Income ratio (“CTIR”) of 57.2%.
2. Non-performing loans (“NPL”) ratio.
3. Capital adequacy ratio (“CAR”).

**Answer (Company’s CEO)**

CEO replied that the Company saw a high demand last year for a higher interest rate for the deposit. As a result, in order to attract funds, the Company has to increase the interest rate to remain competitive, which causes the interest expense to increase correspondingly.

The Company also increased the interest rate for the loans but cognizant of the loan customers’ ability to repay, it has to strike a balance of increasing the loan interest rate and meeting the deposit demand.

CEO concurred that the NPL at 4.8% is high but it is under control. Management is familiar with the loan customers and in touch with them constantly to assist them or make the appropriate legal application to recover the loan. One of the customers contributed significantly to the NPL and Management is working closely with the customer in order to manage the NPL.

CAR is on the high side, but higher CAR would also assist the Company and if there is a need, the Management is able to call on it.

For finance companies, all loans must be backed by assets. While the Company could extend unsecured loans to customers, the Management decided to take on less unsecured loan business due to higher risks. If the Management is more gung-ho into the market and get more loans, it would also result in higher NPL. Therefore, the Management has taken a conservative and balanced approach in how to source for loan and revenue in order to ensure that the Company maintains a steady stream of income for the customers.

For asset backed loans, the Company does more in mortgage (i.e. residential or commercial property), commercial vehicles, land and construction loans and some shipping loans. Due to concerns about the property bubble, the Company has put some measures in place, and this has resulted in lesser demand for housing loans.

The Company has also embarked on digitization transformation; this has added cost in term of the overheads. An internet banking (“IB”) facility was launched last year for both the consumer and corporate clients. The cost of running the IB facility has also increased but on the positive side, the Company has also embarked on a digital journey within the Company to streamline the processes through digital transformation.

2. **Question (Shareholder 1)** He sought clarification regarding the Company's cost structure. While the Company has invested in digitization, why is it that other FIs could keep the cost to deposit ratio at a lower rate than the Company? How much capital expenditure is the Company spending on digitization and if the said exercise has been completed and how much more would the Company incur on digitization?
- Answer (Company's CEO and Mr Adam Tan)** CEO replied that the Company has completed the internet banking project. There is still one more piece in order to complete the internet banking such that it would operate like a branch. 90% of the cost of the internet banking ("IB") has been completed. Cost relating to maintenance of the IB would follow. Now the Company is trying to increase the usage by encouraging its customers towards IB.
- Mr Adam Tan acknowledged the shareholder's concern. During Covid-19, the Board recognizes that even with the bank's demographic of customers, it is important to have a digital presence. This is a significant investment. The whole purpose of this exercise is to drive operational efficiency through the Company, and it is a necessary step. He opined that the Company needs this facility to be relevant but does not foresee the Company taking a big expenditure on this direction. It is a measured, control direction that the Board is taking. As for staff cost, the environment post Covid-19, with the launch of digital clients, there is a demand for certain skillsets within the bank. This is an area that the Company needs to be competitive with the market.
3. **Question (Shareholder 1)** Referring to Page 69 of the AR, with the recent failure of the banks in USA, the mark to market losses on bonds, he asked if the Company is under any pressure to sell them? In a scenario whereby there is a deposit run, did the Company conduct a stress test?
- Answer (Mr Adam Tan)** Mr Adam Tan replied that there are a couple of major key differences between how the regional banks in USA are managed and regulated as compared to banks in Singapore. Silicon Valley Bank, their unrealised loss exceeded their capital. The Company only holds Singapore government regulated securities, as required by MAS. The Company did not hold these securities for trade but to earn a yield. For a longer dated papers, due to change in interest rate, the Company has booked some unrealised losses, but it is a small percentage to the Company's capital. All financial institutions in Singapore are similarity impacted but the impact on the Company is less than 5%. There is no challenge to the customers' confidence in the Company. MAS constantly engage the Company and provides the parameter for stress test, which the Company performs regularly. In addition, the Company conducts periodic reviews with regard to different risks.
4. **Question (Shareholder 1)** Referring to Page 102 of the AR, he sought clarification regarding the directors' ex-gratia payment and who is it paid to? He further noted that there is no resolution being tabled at this meeting for approval.
- Answer (Company's CEO)** CEO replied that with the recent amendments to the listing rules whereby there is a tenure limit of 9 years for independent directors. The Company's independent directors have been loyal and served the Company beyond 9 years, as a result, Mr Teoh Eng Hong, William Ho Ah Seng and Mdm Tan Hui Keng, Martha would be leaving the Company at the next annual general meeting (i.e. year 2024). The ex-gratia payment is a sum set aside to reward them for their loyalty and unwavering service to the Company and the shareholders.



CEO added that there is no resolution tabled at this meeting as it would not be paid this year. This ex-gratia payment is just a provision in the Company's book. Instead, it would be tabled at the next annual general meeting for shareholders' approval for payment.

**5. Question  
(Shareholder 2)**

He posted the following questions for the Board's consideration.

- a. Referring to the ex-gratia payment of SG\$750,000, he opined that Board should accrue the provision over a period of two years. He also wondered why the Company's share price is low.
- b. He asked the Board how relevant is the Company in today's market? With DBS bank so aggressive in the SMEs and UOB acquiring the Citi group around the region. HSBC recently has been very aggressive as well.
- c. In the current high interest rate environment, is the Company able to pass the cost to its borrower?

**Answer:  
(Company's CEO  
and Mr Adam Tan)**

CEO replied that the Company try to offer goods and services that are relevant to the customers and move forward with what is relevant to the banking environment right now. Digitalisation forms the bulk of what is happening at DBS and UOB. The new digital financial services companies that are coming online, like Trust Bank, the Management views them as competitors. The Management has plan to compete against them and remain relevant.

The Company tries not to pass on cost to the customers where possible, but sometimes it is inevitable. For example, when the deposit rate goes up, the loan rate has to be revised accordingly so as to remain relevant and profitable.

Mr Adam Tan addressed the shareholder's question regarding the Company's share price versus the book value. Looking at the other finance company such as Hong Leong finance, its share price is also trading at approximately less than 60%.

**6. Question  
(Shareholder 3)**

He understood that the market has affected interest rate, and this in turn has affected the Company. However, he is unable to comprehend why the change in interest rate affects the Company but not others.

Regarding digitalisation, he opined that the Company does not have the volume. By digitalising and not promoting it, it would become a permanent cost to the Company. Further, regular maintenance is required and costly. Without volume, the cost per customer / loan is going to be very high. Unless the Company could grow its business, it would be a burden in the long run. Unless volume grows, the Company should consider delisting and taking it private. His concern is that the digitalisation might be detrimental to the shareholders.

**Answer:  
(Company's CEO)**

CEO replied that the digitalisation journal has just begun, and a necessary evil for the Company to embark on, failing which, the Company would be left behind. During Covid-19, digitalisation usage increased considerably. A lot of products and services increased through digitalisation. The Management felt that, at that point, the Company would be left behind and the need to embark on this journey. He concurred with shareholder that the Company needs to increase both the volume and usage and a team has been established to tackle the issues. He added that finance company is

unlikely to go private, simply because MAS and SGX wishes for finance company to remain public listed.

**7. Question  
(Shareholder 2)**

He referred to CEO's earlier comment regarding the digitalisation. He noted that cost has been incurred and maintenance has to follow, he asked the CEO if he has done the studies? How many customers the Company has and need to have to maintain the maintenance cost and recover the capital cost.

Referring to CEO's comment about MAS and SGX wishes for finance company to remain public listed, he has no recollection relating to what happens to Far East Finance and since CEO is in the industry, he asked CEO if he could elaborate further.

**Answer:  
(Mr Adam Tan)**

Mr Adam Tan clarified that there is no other choice than to digitalize. For example, in the near future, the use of cheques would be discontinued.

**(Mdm Tan Hui  
Keng, Martha)**

Mdm Tan replied that many years ago there were approximately 36 finance companies in Singapore and over time the industry went through a series of consolidation. Some of the companies were bought over by the banks and some were affiliated to the banks which then got subsumed. Now, there are only three finance companies left. Historically, Far East Finance ("FEF") was a standalone company and not affiliated with any banks but owned by the Far East Group. FEF chose to give up their finance company license because within the Far East Group, there are other more profitable businesses than running a finance company which was on a very small scale then. FEF applied to MAS to have their licence cancelled and then went through a voluntary liquidation.

**8. Question:  
(Shareholder 3)**

He hoped the share price of the Company could go up. He further suggested to the Board to consider declaring more dividend as this could have a positive impact on the share price.

**9. Question:  
(Shareholder 5)**

He suggested to the Board to consider having a Share Buyback Mandate.

**Answer:  
(Chairman)**

Chairman thanked the shareholders for their suggestions, the Board and CEO have taken note of their suggestions.