



SINGAPURA FINANCE LTD
Company Registration No.: 196900340N
Incorporated in the Republic of Singapore

ANNUAL GENERAL MEETING TO BE HELD ON 11 JUNE 2020

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Singapura Finance Ltd (the “**Company**”) would like to thank shareholders for submitting their questions in advance of the Annual General Meeting (“**AGM**”) to be held by electronic means on 11 June 2020.

Below are the responses to substantial questions which are relevant to the resolutions tabled for approval at the AGM.

1. What is the rationale of taking a minority stake in a financial technology (“fintech”) company?

On 12 December 2019, the Company announced that it had completed the subscription of 1.6% of the share capital in fintech company Matchmove Pte Ltd (“**Matchmove**”). As the investment in Matchmove was the Company’s first foray into the fintech industry, the Company decided that a minority stake was appropriate.

The investment represents an opportunity for the Company to acquire a stake in a business that has long-term potential growth. It is also part of the Company’s plans to invest in the fintech sector which the Company believes would provide synergistic opportunities to the Company to achieve growth in the financial services sector. Instead of seeing fintech businesses as disruptors of the financial services sector, the Company sees them as complementary to the Company’s business and an opportunity to expand the Company’s services to its customers.

The investment has strengthened the strategic partnership with Matchmove and the Company is an integral part of Matchmove’s consortium in the application for a digital full bank licence to be issued by the Monetary Authority of Singapore (“**MAS**”) by the end of this year.

By taking only a 1.6% stake in Matchmove, the Company is also in compliance with Section 28(1) of the Finance Companies Act (Cap. 108) (the “**Act**”) and MAS Notice 821*.

* Pursuant to Section 28(1) of the Act and MAS Notice 821, no finance company shall acquire 20% or more of the share capital of any company without first notifying and obtaining the approval of the Authority. The aim is to ensure that finance companies do not diversify into areas which are inconsistent with their business or invest in companies to an undesirable extent.

2. Can the company provide an update on how Covid-19 and technological change has impacted its business and what strategies the company are adopting to adapt and grow in the new business environment?

COVID-19 is a pandemic and we continue to expect business to slow down and credit conditions to remain extraordinarily difficult for all. In order to safeguard the economy from disruption and uncertainties, MAS has announced a slew of relief measures to ease the financial strain on individuals

and cash flow constraints faced by businesses. We extend support to our existing customers by offering interest/ principal moratoriums as part of our suite of relief measures. In the meantime, we continue to lend to customers with a good track record.

Being a participating financial institution of the Enterprise Singapore (“**ESG**”) Loan Scheme, we support the lending to SMEs through the Enhanced Enterprise Financing Scheme - SME Working Capital Loan (EFS-WCL) and the Temporary Bridging Loan Programme (TBLP) which has an increased ESG risk-share of loans of 90%. The TBLP is intended to help local enterprises manage their immediate cash flow needs. SMEs that require additional working capital beyond the TBLP can tap on the EFS-WCL.

Before COVID-19, we were already actively searching for technological partners to further improve our customer engagement. This is in line with the launch of our product, VIVID and our investment in a fintech company. We have been working to digitalise our engagement with consumers and will continue to do so via various Government initiatives like Smart Nation and collaboration with fintech companies. This will enable us to align our business with the Government's vision and grow our customer base of digitally engaged youth. We will step up our efforts to engage technology to grow our business amidst this COVID-19 crisis.

3. With this COVID-19 crisis, how much of the business revenue and its earnings are being affected? Has the Company made sufficient provisions for non-performing loans (“NPLs”)?

As the COVID-19 situation is constantly evolving, the duration and extent of slowdown in the business are uncertain. It is difficult to quantify the impact of the outbreak on our revenue, earnings, loans and NPLs at this juncture. The Company is constantly monitoring the situation closely and will continue to set aside adequate impairment allowances for its loan portfolio.

The Government is providing various COVID-19 relief measures as announced in the Budget 2020 and the further enhanced Resilience, Solidarity and Fortitude Budgets to support businesses during this period of economic uncertainty. We will tap on relief measures such as Job Support Scheme and training grants to support our business during this period of economic uncertainty.

4. What are the Company's contingency plan if the COVID-19 crisis is to prolonged?

We are monitoring the COVID-19 situation closely and will continue to manage our expenses tightly to push forward our efforts to digitalise our services and processes. We will also continue to monitor our customers' payment patterns closely even as we work hand-in-hand to support those who have opted for interest/ principal moratoriums during these difficult times. In the meantime, we will continue to be prudent and lend to customers with a good track record.

BY THE ORDER OF THE BOARD

Ngiam May Ling
Company Secretary

10 June 2020