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MINUTES OF THE THIRTY-SIXTH (36th) ANNUAL GENERAL MEETING OF IFS CAPITAL LIMITED HELD AT 11 EUNOS ROAD LIFELONG LEARNING INSTITUTE EVENT HALL 2-1 LEVEL 2 SINGAPORE 408601 ON THURSDAY, 20 APRIL 2023 AT 2.30 P.M.

Present:

Board of Directors

- | | | |
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| Mr Lim Hua Min | - | Chairman of Meeting, Proxies for Shareholders as per attendance list |
| Mr Tam Chee Chong | - | Director |
| Mr Barney Lau Tai Chiau | - | Director |
| Mr Randy Sim Cheng Leong | - | Director/Group CEO, Shareholder |

Absent with apologies:

Board of Directors

- | | | |
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| Mr Law Song Keng | - | Director |
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In attendance:

- | | | |
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| Ms Ang Iris | - | Group Chief Financial Officer |
| Ms Chionh Yi Chian | - | Company Secretary, Shareholder |
| Ms Angeline Ng | - | Assistant Company Secretary |
| Mr Zeng Renchun | - | Chief Executive Officer, IFS Singapore |
| Mr Choi Kin Seng | - | Chief Executive, ECICS Limited |
| Mr Wilson Woo | - | Auditor, Ernst & Young LLP |
| Ms Vanessa Yeo | - | Auditor, Ernst & Young LLP |
| Mr Paul Theng | - | Scrutineer, Corporate Republic Advisory Pte Ltd |

Present by way of webcast

- | | | |
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| Mr Tan Ley Yen | - | Chief Executive Officer, IFS Thailand, Shareholder |
| Mr Giovanni | - | Chief Executive Officer, IFS Indonesia |
| Mr Abdul Razak | - | Chief Executive Officer, IFS Malaysia |

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| Shareholders & Proxy Holders | - | As per attendance list maintained by the Company |
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There being a quorum, the Chairman called the Meeting to order at 2.30 p.m. and extended a warm welcome to the Shareholders.

The Chairman introduced the Board of Directors of the Company. He informed that Mr Law Song Keng was unable to attend the Meeting and conveyed his apologies for his absence.

The Chairman informed the Meeting that all resolutions at the AGM will be put to the vote by way of a poll and Corporate Republic Advisory Pte Ltd has been appointed to act as Scrutineers. A short video was shown to explain the electronic poll voting process.

As the Notice of the Annual General Meeting dated 3 April 2023 had been sent out to the Shareholders before the Meeting, the Chairman proposed that the said Notice be taken as read and the Shareholders present at the Meeting had no objection.

Chairman went on to inform the Meeting that the Company had invited shareholders for questions prior to the Meeting. There were no questions submitted by the shareholders.

Before proceeding with the resolutions proposed in the Notice, Chairman invited Mr Randy Sim, the Group Chief Executive Officer (“CEO”) to give a short presentation on the Group’s financial highlights and strategic priorities update. The presentation deck had been made available on SGXNet and the Company’s corporate website. The key highlights of the presentation are set out below.

Mr Randy Sim started with the introduction of the Group Management Committee members of the Company. He went on to give an overview of the Company and the current businesses being run by the Group.

2022 Key Financial Highlights

Ms Iris Ang then went through the key financial highlights. The Group achieved S\$33m in net operating income for FY2022 compared to S\$40m in FY2021. The reason for the decline was mainly because the Group ended Q4 2021 with a lower loan book of approximately S\$114m as compared to S\$263m in Q42020, which had impacted the earnings in terms of the interest income in 2022. At the end of 2021, the Company also managed to recover most NPL accounts which gave the Company the confidence to gradually build back the loan book to S\$195m at the end of FY2022.

As it took time to on-board new business and re-build the portfolio, the contribution in terms of operating income took time to materialize, hence resulted in the drop of operating income in 2022. However, with the rebuilding of loan book, the Group expects positive contribution to the net operating income in FY2023.

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Mr Sim added that the re-building of the loan book from a lower base was one of the main reasons why the operating income fell in FY2022 as compared to FY2021. In FY2020 and throughout most of FY2021, the Group was focused on recovering loans, some of which were in NPL status due to lockdowns and moratoriums. It was only in late FY2021 that the Group started to rebuild the loan portfolio as we gained greater visibility of the macroeconomic situation. Ms Ang went on to explain that the factoring business had remained consistent during the period. On the insurance business, the focus remained on the motor insurance and there was a growth in the gross written premium of approximately 76% from S\$3.35m to S\$5.88m in 2022.

On the net operating income from the businesses over the various countries, Ms Ang shared that IFS Singapore (ECICS and IFS Singapore) accounted for 48% of the total revenue, and IFS Thailand accounted for approximately 46%. For IFS Indonesia, there were quite a number of NPL accounts so the focus was on recovery and not origination of new loans. IFS Indonesia resumed its business at the end of FY2022 following the recovery of a significant portion of its NPL. Thus, whilst the contributions from IFS Malaysia and IFS Indonesia are low, there is great potential for growth.

Ms Ang further shared that whilst the cost to income ratio at 70% was high, it was because of the lower revenue. In terms of cost-to-income ratio, the Company is cognisant and careful with managing maintenance opex while recognising that we need to invest for future growth. The leverage ratio is slightly above 1x because the Group has been very careful in managing this, so as to ensure sufficient liquidity and be prepared to increase the leverage whenever the opportunity arises.

Overall, for FY2022, the profitability of the Group fell by approximately 54% to S\$6m from S\$13m.

Strategic Priorities

Mr Sim went on to share that across all of the Group's lending businesses, there are two main objectives. One objective is to increase client count and then to grow the size of the asset book. On insurance side, the objective is to drive the top line premium growth. Based on the financials, there has been improvement in respect of the quality of the portfolio. Whilst the loss ratios have been reducing, the insurance business is still unprofitable as it is still sub-scale. Thus, the Group hopes to be able to drive this through organic sales effort and through partnerships. The Group is also focused on monetizing the services businesses within the Group.

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Traditionally, the Group's trade financing business has been domestic focused. However, the Group recognizes that there is a sizeable opportunity to capture trade flows within ASEAN as well as between ASEAN and key regions like China, India, North America and Europe. This will help the Group to grow the network of suppliers and buyers as well as increase the overall financing volume. In 2022, IFS became the only organization in Southeast Asia with 4 member countries approved by the FCI. This allows IFS' companies in each of these countries to work with other FCI members across the globe to finance the trade flows between the respective countries. With this international network, it will also benefit the Group's new supply chain business.

As for leveraging technology to improve client experience and efficiency, the Company had to take a step in overhauling the entire backend system and workflows. The Company has since built a lending operating system in Singapore that is proprietary to IFS that brings the front, middle and back office to one digital platform, eliminating the need for paper-based processes and will be rolling out the system to all the lending subsidiaries by the end of this year.

Partnerships

Mr Sim shared the Group's new focus on partnerships and the key highlights are as follows:

SGCarmart Car Warranty: The new ECICS today is designed for partnerships. For ECICS's partnership with SGCarmart, a warranty program was created together where consumers are able to choose the cars listed with warranty and be assured that the used cars are being inspected by authorized workshops with an insurance program backing it.

Phillip Protect: The partnership with Phillip's wealth management team is focused on providing the most competitively priced personal accident protection that can be embedded within their wealth management customers' journey.

Lendingpot: Lendingpot is the first tech startup that was built from scratch without raising a dollar of external investor funds. Still with a lean team of approximately 8 employees, Lendingpot started monetizing the business loan matching platform in 2022 and launched a personal loan site at the end of 2022. Lendingpot will be launching the platform in Indonesia in 2023.

Friyay: Friyay is the Company's latest product which offers earned wage access. The user experience that the Company wants to achieve is to allow employees to draw out a portion of their earned wages via a mobile app without connecting with any humans.

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Investing in our people

The Company is actively working on bringing fresh talent to the Company across all 4 countries, with the concept of bringing together talents of different generations and talents to work together, with both mutually benefitting each other through the work experiences.

Mr Randy Sim then invited the shareholders to raise questions.

Two shareholders shared their concerns on the lack of paper copies of the Annual Report for the AGM. In particular, one of the shareholders provided feedback that some pages in the online copy were not easily readable as they were being displayed sideways. The same shareholder also noted that with the exception of the Thailand office, there were no office addresses found in the Annual Report. Mr Randy Sim clarified that all office addresses could be found at the back of the Annual Report. He also commented that the Company would look into the concern on providing physical copies of the Annual Report at the AGM.

The shareholder also noted that the NTA per share remained constant at approximately 0.47 cents but the share price is low at approximately 0.16 cents. He noted that the Company does not seem to be making too much profit and the insurance business over the last 5 years had not been making money. He asked if the Company is working on improving the results of the insurance business. Mr Randy Sim shared that the insurance business has been making losses for more than 5 years. One of the reasons being that ECICS was hit quite badly in the marine and construction sector - this was especially so during the covid period where certain bonds were being called. ECICS has been trying to actively de-risk the bond portfolio and the Company is quite comfortable currently with the level of exposure on the bond side.

In response to shareholder's concern in respect of the insurance business, Mr Choi Kin Seng shared that ECICS is on the right track, showing progress year on year. With the focus on the target segment of the motor insurance which gives a lower loss ratio, ECICS has narrowed their losses to less than half a million for the past two years. ECICS is also working on a few partnership deals and will eventually look into growing other lines of business.

The shareholder also commented that there were low interest rates in the last decade, making it relatively easy to get funding. With the increased interest rates, he noted that this might reduce the Company's margins and asked if that would be a factor moving forward. Mr Randy Sim clarified that the Company has structured its lending business in a way that the bulk of the lending book is on floating rate. The other part is to ensure that the Company has the necessary liquidity to meet any obligations and have a high-quality portfolio. Together with the CFO, he is also working towards creating access to other pools of liquidity and capital. In addition, one of the Company's pillars of business i.e. the fund

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management can bring in another source of capital into our ecosystem through third party investors. Thus generally, the Company is quite comfortable on that front.

The shareholder also noted a 41% staff turnover for 2022 and asked if it was an anomaly for the year. Mr Sim explained that there were pockets of high turnover especially for ECICS, but naturally when the Company is not doing well, they had to be cost conscious which probably did not meet the expectations of the new hires in respect of monetary benefits. That said, he shared that the core staff retention level has been relatively stable.

One shareholder asked what the total write-off was in respect of the NPL for the past 3 years. Ms Iris Ang replied that there was no significant write-off although there were NPLs because the asset books are well collateralized and the Group managed to recover substantially. Mr Sim added that the Group is focused on building all-weather portfolios and the structure of the loans is such that even with heightened NPL during the pandemic period, the Group experienced minimal losses.

Another shareholder asked how long it would take to see any results from the new businesses. Mr Randy Sim replied that as shared earlier, there were several new businesses launched in the last few years. One of which is Multiply where the company focused on microloans to small companies but it was eventually shut down as it did not get enough traction. However, from there, it evolved into other businesses. He added that Friday, which focused on consumer lending, is another new business which IFS had started and is already profitable. For Lendingpot, which was started in 2017 and started to monetise only last year as it was searching for product-market fit. Today, there are about 47 lenders on the platform ranging from the local banks to international and regional banks, finance companies and private funds. Mr Sim added that every business is different and hence it will be difficult to determine exactly how long it will take.

Chairman added that when Covid happened, the Group's attitude was towards sustainability and liquidity. Under such uncertainty, the Group focused on building infrastructure and reinventing itself. Hence, over the past 3 years, the Group built larger and stronger ecosystem such as expansion into the fintech space and digitalisation of the whole Group.

Following that, Chairman then proceeded with the Resolutions set out in the Notice of Annual General Meeting.

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1. **ORDINARY RESOLUTION 1: ADOPTION OF DIRECTORS' STATEMENT, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 and the Auditors' Report thereon (the "Statements and Report") were tabled and the Meeting had no objections to the Chairman's proposal that the Statements and Report which were previously circulated be taken as read.

The Chairman proposed that the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditors' Report thereon be received and adopted. He invited shareholders to raise questions before this resolution is put to the vote.

There being no further questions or comments, the Chairman put the motion to vote by poll. The result of the poll on this motion was as follows:

- Votes FOR the resolution: 227,398,142 votes or 100%.
- Votes AGAINST the resolution: 0 vote or 0%.

Based on the results of the poll, the Chairman declared Ordinary Resolution 1 carried.

2. **ORDINARY RESOLUTION 2: ORDINARY CASH DIVIDEND**

The Chairman proposed that the payment of a first and final one-tier tax exempt ordinary cash dividend of 0.45 cents per share for the financial year ended 31 December 2022 be approved.

One shareholder asked if the Company has a dividend policy. Chairman replied that on an annual basis, taking into consideration the Group's financial performance, as a guide, the Company would endeavour to pay annual dividends of 30% of its net profit after tax.

There being no further questions or comments, the Chairman put the motion to vote by poll. The result of the poll on this motion was as follows:

- Votes FOR the resolution: 227,398,142 votes or 100%.
- Votes AGAINST the resolution: 0 vote or 0%.

Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried.

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3. **ORDINARY RESOLUTION 3: DIRECTORS' FEES**

The Chairman proposed that the Directors' fees of S\$216,781 for the financial year ended 31 December 2022 be approved.

There being no further questions or comments, the Chairman put the motion to vote by poll. The result of the poll on this motion was as follows:

- Votes FOR the resolution: 227,513,142 votes or 100%.
- Votes AGAINST the resolution: 0 vote or 0%.

Based on the results of the poll, the Chairman declared Ordinary Resolution 3 carried.

4. **ORDINARY RESOLUTION 4(a): RE-ELECTION OF DIRECTORS**

The Chairman proposed that Mr Randy Sim Cheng Leong who is retiring by rotation in accordance with article 94 of the Constitution of the Company, be re-elected as a Director of the Company.

There being no further questions or comments, the Chairman put the motion to vote by poll. The result of the poll on this motion was as follows:

- Votes FOR the resolution: 227,395,742 votes or 100%.
- Votes AGAINST the resolution: 0 vote or 0%.

Based on the results of the poll, the Chairman declared Ordinary Resolution 4(a) carried.

5. **ORDINARY RESOLUTION 4(b): RE-ELECTION OF DIRECTORS**

The Chairman proposed that Mr Law Song Keng who is retiring by rotation in accordance with article 94 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.

There being no further questions or comments, the Chairman put the motion to vote by poll. The result of the poll on this motion was as follows:

- Votes FOR the resolution: 227,380,742 votes or 100%.
- Votes AGAINST the resolution: 0 vote or 0%.

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Based on the results of the poll, the Chairman declared Ordinary Resolution 4(b) carried.

6. **ORDINARY RESOLUTION 5: AUDITORS**

The Chairman proposed that Ernst & Young LLP, be re-appointed as Auditors of the Company until the next Annual General Meeting at a fee to be agreed between the Directors and the Auditors.

There being no further questions or comments, the Chairman put the motion to vote by poll. The result of the poll on this motion was as follows:

- Votes FOR the resolution: 227,513,142 votes or 100%.
- Votes AGAINST the resolution: 0 vote or 0%.

Based on the results of the poll, the Chairman declared Ordinary Resolution 5 carried.

7. **ORDINARY RESOLUTION 6: GENERAL SHARE ISSUE MANDATE**

The Chairman informed the Meeting that the proposed Ordinary Resolution 6 was to approve a general mandate to empower the Directors to issue shares and instruments convertible into shares, up to a limit of 50 per cent. subject to a sub-limit of 20 per cent. for shares not issued on a *pro rata* basis.

This general share issue mandate would continue in force until the conclusion of the next Annual General Meeting.

The Chairman proposed that the Ordinary Resolution 6 as set out in the Notice of this Annual General Meeting be approved.

There being no further questions or comments, the Chairman put the motion to vote by poll. The result of the poll on this motion was as follows:

- Votes FOR the resolution: 227,271,142 votes or 99.95%.
- Votes AGAINST the resolution: 124,600 vote or 0.05%.

Based on the results of the poll, the Chairman declared Ordinary Resolution 6 carried.

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There being no other business, the Chairman, on behalf of the Board, thanked all shareholders for their attendance. The Chairman declared the Meeting closed at 3.55 p.m.

Certified as a correct record of the proceedings of the Meeting.

Lim Hua Min
Chairman
IFS Capital Limited

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