Sing Holdings Limited
(Incorporated in the Republic of Singapore)
96 Robinson Road #10-01 SIF Building
Singapore 068899
Email: enquiries@singholdings.com
UEN: 196400165G

RESPONSE TO QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The board of directors (the "**Board**") of Sing Holdings Limited ("**Sing Holdings**" or the "**Company**" and together with its subsidiaries, the "**Group**") has received a few queries from shareholders in relation to the Company's annual report for the financial year ended 31 December 2023 ("**FY2023**") and wishes to provide its response to the queries as follows:

Shareholder Query 1:

In the last 10 years, at every Annual General Meeting, we are shown a slide which shows a decent dividend yield based on a stable dividend divided by a depressed share price.

There is another slide which shows the Net Asset Value ("**NAV**") continuing to grow. This is very unfair for minority shareholders as the dividend payout barely offsets the fall in share price leading to very little (if any) total returns for shareholders.

In the meantime, most of the profit is retained in the Company which is the reason for the increase in NAV.

Can management share the thinking behind the dividend strategy?

Company's Response:

The Board aims to declare dividends on an annual basis. It seeks to align the yearly dividend with the profitability of the Group, keeping in mind factors such as the Company's growth plans, availability of funds and the economic prospects. On the other hand, share price is market-driven and is determined by many external factors which are not within the control of the Company.

Shareholder Query 2:

Sing Holdings has maintained its $294,125,000 loan throughout 2022 and 2023. The interest charged in 2023 has gone up and is at 4.2% to 4.9% vs 1.3% to 4.2% in 2022. Meanwhile, cash continued to earn 4% per annum. For past projects, Sing Holdings had readily paid down its loan whenever it had cash.

1. Why has the Company not done so (even if partially) for these 2 years given that the interest rate has increased?

2. Given Sing Holdings' stronger balance sheet in comparison to peers and the Company's track record with loan repayment, why isn't the Company able to negotiate for a lower interest rate? While I understand that business loans are different from home loans, home loan rates had dropped from > 4% to low 3%. Given Sing Holdings' reputation and the fact that the Company has pledged its completed properties as well as investment property for

way more than adequate collateral, why isn't the Company able to negotiate for a rate below 4.2%? Has management attempted to source for other banks to refinance this loan at lower interest rates?

<u>Company's Response</u>:

1. The outstanding bank loans of $294,125,000 relate to North Gaia, an executive condominium project which offers both normal payment scheme and deferred payment scheme. About 60% of the sold units are on deferred payment scheme. Hence, the sales proceeds collected progressively are used towards payment of development costs and are insufficient to repay the bank loans during construction stage.

2. The outstanding loans are secured by, inter alia, a legal mortgage over North Gaia only. The Group's completed properties and investment property are mortgaged as security for other banking facilities.

   The Group's interest rates for the outstanding loans are pegged at a fixed margin above the floating Singapore Overnight Rate Average (SORA) and have risen in line with the general interest rate environment. As part of our process, management has compared the terms received from various banks at the onset of the loans and regularly engages bankers to keep abreast of market developments. Management is of the view that the Group's loans for the development project are fairly priced.

BY ORDER OF THE BOARD
SING HOLDINGS LIMITED

Lee Sze Hao
Chief Executive Officer

Singapore, 19 April 2024