

Strictly Private & Confidential



MINUTES OF THE THIRTY-SEVENTH (37<sup>th</sup>) ANNUAL GENERAL MEETING OF IFS CAPITAL LIMITED HELD ON MONDAY, 29 APRIL 2024 AT 2.30 P.M. AT 11 EUNOS ROAD LIFELONG LEARNING INSTITUTE EVENT HALL 2-1 LEVEL 2 SINGAPORE 408601

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**Present:**

*In Attendance*

- Mr Lim Hua Min - Chairman of Meeting
- Mr Randy Sim Cheng Leong - Director/Group CEO
- Mr Barney Lau Tai Chiau - Director
- Mr Loo Hock Leong - Director
- Ms Chen Xialing - Director
- Ms Chionh Yi Chian - Company Secretary
- Ms Angeline Ng - Assistant Company Secretary

Auditor

Ernst & Young LLP:  
Mr Wilson Woo  
Ms Vanessa Yeo

Independent Scrutineer

Corporate Republic Advisory Pte. Ltd.

Shareholders and Proxy holders

As set out in the attendance records maintained by the Company

Group Management Staff

As set out in the attendance records maintained by the Company

There being a quorum, the Chairman called the Meeting to order at 2.30 p.m. and extended a warm welcome to the Shareholders.

Chairman informed that the Notice of the Annual General Meeting dated 11 April 2024 had been sent out to the Shareholders before the Meeting and with the consent of the Meeting, the said Notice was taken as read.

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Chairman went on to introduce his fellow board members.

Before proceeding with the business of the Meeting, Chairman informed that voting on all resolutions put to the Meeting would be conducted by poll. He further informed that in his capacity as Chairman of the Meeting, he had been appointed as proxy by some shareholders and he would be voting in accordance with their instructions. As Chairman and proxy, he would be proposing most of the resolutions put forth at the Meeting.

Chairman then announced that the polling services would be provided by Trusted Services Pte. Ltd. and the Company had appointed Corporate Republic Advisory Pte. Ltd. as the Scrutineers. Polling would be conducted in a paperless manner using shareholder's mobile device. A short video clip on the poll voting process was shown and a test resolution was conducted to familiarise shareholders with electronic poll voting.

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 further, Chairman invited Mr Randy Sim, the Group Chief Executive Officer to brief the Meeting on IFS Group's performance and financial results. Details of the presentation can be found in the AGM presentation slides, which has been published on our corporate website and SGXNet on 29 April 2024, and is also enclosed in the Appendix to these minutes.

Chairman took over and invited the shareholders for questions. Mr Randy Sim then started the ball rolling by addressing a possible concern in terms of the seemingly slow growth of the Group's fintech startups, Lendingpot and Friday Finance. He shared that Friday Finance is currently profitable, and while Lendingpot is not yet profitable, it has a relatively low burn rate. The Group's approach is to support these start-up businesses through the Group's profits and to keep the burn rate low through careful spending on digital marketing and hiring. The Group prioritized financial sustainability, aiming to support the startups without relying on external capital or diluting shareholders. External capital may be considered once certain milestones are achieved to crystallize value.

A shareholder, Mr Liew requested a breakdown of the revenue and profitability of Lendingpot, Friday Finance, and Friyay. Mr Randy Sim explained that the Group currently does not disclose the information. However, he can share that Lendingpot is close to breakeven and its losses are manageable for the Group. Friday Finance, on the other hand, is a meaningful contributor to the Singapore business, achieved breakeven point fairly early as consumer lending is an extension of our core business of corporate lending which we are familiar. Friday Finance offers unsecured loans for various productive purposes and secured loans to entrepreneurs. However, its earned wage access segment (or Friyay) has yet to show significant progress over the past one and a half years.

Another shareholder, Mr Yeo inquired about the market potential for Lendingpot and Friday Finance. Mr Randy Sim explained that Lendingpot originated from a need to address prospects that could not be served due to various reasons. It now collaborates with over 40 partners, expanding its conversion opportunities for borrowers. While there is no published data on the entire loan brokerage market, Lendingpot aims to provide a digital alternative, focusing on SME loans in Singapore, which is a roughly

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\$80 billion market in Singapore. The consumer lending sector, especially in mortgage services, shows promising growth opportunities, driven by the need for speed and efficiency. Expansion into the Indonesian market is motivated by its large consumer base of 270 million.

The Chairman added that he liked Lendingpot's many-to-many business model, reflecting the shift towards this platform structure in the Information Age. He believes that if executed correctly, Lendingpot could become significant. The Group's traditional businesses in lending and insurance, while seemingly separate, could synergize effectively, potentially transforming the business model.

A shareholder, Mr. Yeo further inquired about the Group's future capital requirements and whether it would need to raise funds in the coming years. Mr. Randy Sim responded that, based on current plans as shared earlier, he did not anticipate a need to raise equity financing in the near future. Many new ventures have been funded internally, albeit impacting short-term profits. These investments are deemed necessary for long-term value realization. While uncertainties exist, particularly with ventures like Lendingpot which started small and facing unknowns, the Group's financial resources are currently sufficient for most initiatives. However, on the insurance front, Mr. Sim added that depending on ECICS's growth and business lines, there might be a need for additional capital in the future. The Group takes shareholder value creation seriously and will weigh the benefits carefully before considering any equity raise.

Another shareholder, Mr Koh expressed his disappointment in the share price and voiced concerns about debt collectability for lending business in Thailand and Indonesia. Mr Randy Sim addressed these concerns by explaining that IFS Thailand primarily deals with accounts receivables purchase, with about 94% of its business relating to financing invoices to large buyers, typically with advances repaid every 90 days. Despite economic ups and downs, IFS Thailand has historically navigated well, experiencing losses only during the 1997 crisis. Conversely, IFS Indonesia is still recovering from non-performing loans (NPLs), but necessary provisions have been made in prior years. As of today, about 60% of NPLs have been collected. Mr Sim then introduced Mr Ken Han, formerly IFS Singapore Credit Head and now the newly appointed Country Head of IFS Indonesia.

Mr Sim then went on to introduce Thailand Country Head, Mr Tan Ley Yen. Mr Tan shared that the Thailand business has been very stable. So far, except for the Asian financial crisis in 1997 to 1998, Thailand has always been profitable. In fact, last year, even though business was a bit flat, it still made net profit after tax of S\$6 million. He felt that there is still a lot of potential for growth in the core business of factoring. Also, there are some other areas that the company intends to grow further, for example, factoring in the export, supply chain finance business, and is always on this constant look out for new business opportunities.

Mr Sim also took the opportunity to introduce the rest of the Group Management staff.

As there were no further questions, 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 2023**

The Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 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 the following resolution:

**THAT** the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditors' Report thereon now submitted to the Meeting be and are hereby adopted.

The resolution was put to a vote by poll. The results of the votes by way of poll were as follows:

	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 Adoption of Directors' Statement, Audited Financial Statements & Auditor Report	227,181,569	227,181,569	100	0	0.00

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

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

The Chairman proposed Ordinary Resolution 2:-

**THAT** the payment of a first and final one-tier tax exempt ordinary cash dividend of 0.50 cents per share for the financial year ended 31 December 2023 be and is hereby approved.

The resolution was put to a vote by poll. The results on the vote by way of poll were as follows:

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	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 2</b> Payment of a First and Final One-Tier Tax Exempt Ordinary Cash Dividend of 0.50 cents per share	228,360,199	228,360,199	100	0	0.00

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

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

As the following Ordinary Resolution 3 relates to directors' fees, Chairman invited for a proposer to the resolution:-

**THAT** the Directors' fees of S\$221,472 for the financial year ended 31 December 2023 be and are hereby approved.

The shareholder, Mr Yeo proposed the resolution and the resolution was put to a vote by poll.

The results on the vote by way of poll were as follows:

	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 3</b> Approval of Directors' Fees amounting to S\$221,472	228,360,199	228,298,569	99.97	61,630	0.03

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 informed the Meeting that as the proposed Ordinary Resolution 4(a) dealt with his re-election, he would hand the Chair of the Meeting over to Mr Barney Lau.

Mr Barney Lau took over the Chair of the Meeting and proposed Ordinary Resolution 4(a):-

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THAT Mr Lim Hua Min 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.

The resolution was put to a vote by poll. The results on the vote by way of poll were as follows:

	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
Ordinary Resolution 4(a) Re-election of Director: Mr Lim Hua Min	228,360,199	228,360,199	100	0	0.00

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

Mr Barney Lau handed the Chair of the Meeting back to Mr Lim Hua Min.

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

The Chairman proposed Ordinary Resolution 4(b):-

THAT Mr Barney Lau 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.

The resolution was put to a vote by poll. The results on the vote by way of poll were as follows:

	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
Ordinary Resolution 4(b) Re-election of Director: Mr Barney Lau Tai Chiau	228,340,199	228,336,569	100	3,630	0.00

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

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6. **ORDINARY RESOLUTION 5(a): RE-ELECTION OF DIRECTORS**

The Chairman proposed Ordinary Resolution 5(a):-

**THAT** Mr Loo Hock Leong who is retiring by rotation in accordance with article 100 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.

The resolution was put to a vote by poll. The results on the vote by way of poll were as follows:

	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 5(a)</b> Re-election of Director: Mr Loo Hock Leong	228,282,199	228,278,569	100	3,630	0.00

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

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

The Chairman proposed Ordinary Resolution 5(b):-

**THAT** Ms Chen Xialing who is retiring by rotation in accordance with article 100 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.

The resolution was put to a vote by poll. The results on the vote by way of poll were as follows:

	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 5(b)</b> Re-election of Director: Ms Chen Xialing	228,282,199	228,278,569	100	3,630	0.00

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

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8. **ORDINARY RESOLUTION 6: AUDITORS**

The Chairman proposed Ordinary Resolution 6:-

THAT Ernst & Young LLP, be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting at a fee to be agreed between the Directors and the Auditors.

The resolution was put to a vote by poll. The results on the vote by way of poll were as follows:

	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
Ordinary Resolution 6 Re-appointment of Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration	228,360,199	228,282,199	99.97	78,000	0.03

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

9. **GENERAL SHARE ISSUE MANDATE**

The Chairman informed the Meeting that the proposed Ordinary Resolution 7 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 7 as set out in the Notice of this Annual General Meeting be and is hereby approved.

The resolution was put to a vote by poll. The results on the vote by way of poll were as follows:

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	Total No. of Shares Represented by Votes For and Against the Relevant Resolution	For		Against	
		No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 7</b> Authority for Directors to Issue Shares and Instruments Convertible into Shares	227,185,199	227,127,199	99.97	58,000	0.03

Based on the results of the poll, Chairman declared Ordinary Resolution 7 carried.

There being no other business, the Chairman, on behalf of the Board, thanked all shareholders for attending the Meeting. Chairman declared the Meeting closed at 3.45 p.m.

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

Lim Hua Min  
Chairman  
IFS Capital Limited

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**ANNUAL**  
**GENERAL MEETING**  
**29 APRIL 2024**

**Resolute for Growth**

# Disclaimer

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**IFS Capital Limited**

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**2023 in Review**

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**Update on  
Strategic Priorities**

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**Moving Forward**

# 1 2023 in Review

# Financial Review

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- Revenue increased 14% mainly because of the 32% growth in loan book
- Higher talent and technology investments to grow our Accounts Receivable Purchase (ARP), Supply Chain Financing (SCF) and Technology Services businesses
- Resilient portfolio with specific allowances at 39 bp of loans
- Net profit after tax improved by 10% to \$5.3 million

	FY2023 (\$m)	FY2022 (\$m)	YoY (%)
<b>Net Operating Income</b>	<b>30.1</b>	<b>26.3</b>	<b>14%</b>
- Lending	30.8	26.8	15%
- Insurance	(0.7)	(0.5)	40%
Operating Expenses	(21.3)	(18.6)	15%
<b>Profit before allowances</b>	<b>8.8</b>	<b>7.7</b>	<b>14%</b>
Total Allowances	(1.7)	(1.3)	31%
<b>Profit before tax</b>	<b>7.1</b>	<b>6.4</b>	<b>11%</b>
Tax expense	(1.8)	(1.6)	13%
<b>Profit after tax</b>	<b>5.3</b>	<b>4.8</b>	<b>10%</b>
<b>Earnings per share (cents)</b>	<b>0.91</b>	<b>0.81</b>	<b>12%</b>
<b>ROE (%)</b>	<b>3.0</b>	<b>2.7</b>	<b>30 bp</b>
<b>Group NIM (%)</b>	<b>4.8</b>	<b>6.7</b>	<b>-190 bp</b>
<b>Loans (\$'m)</b>	<b>470.2</b>	<b>356.2</b>	<b>32%</b>

## Key Drivers: Lending

	FY2023 (\$m)	FY2022 (\$m)	YoY (%)
<b>Total Income</b>	<b>30.8</b>	<b>26.8</b>	<b>15%</b>
- Singapore	14.2	10.0	42%
- Thailand	14.6	14.9	-2%
- Malaysia	1.4	1.3	8%
- Indonesia	0.6	0.6	0%

	FY2023 (\$m)	FY2022 (\$m)	YoY (%)
<b>Total Loan Book *</b>	<b>470.2</b>	<b>356.2</b>	<b>32%</b>
- Singapore	277.9	173.3	60%
- Thailand	169.9	160.2	6%
- Malaysia	9.3	9.2	1%
- Indonesia	13.1	13.5	-3%

**Profit before tax**                      **7.8**                      **6.9**                      **13%**

*\* Total Loan book = Account receivables purchase + Loans & advances*

- Revenue growth driven largely by the loan book rebuild in Singapore
- Income impact from loan growth partially offset by sharp rise in interest expenses
- Thailand and Malaysia developing new client segments for breakthrough
- Indonesia restructuring led by new Country Head

## Key Drivers: Insurance

	FY2023 (\$m)	FY2022 (\$m)	YoY (%)
<b>Premium written</b>	<b>9.8</b>	<b>6.8</b>	<b>44%</b>
<i>Distribution channel:</i>			
- Alternative	0.4	0.5	-20%
- Intermediary	9.1	6.1	49%
- Direct	0.3	0.2	50%
<i>Class of business:</i>			
- Motor	9.0	5.9	53%
- Maid	0.2	0.3	-33%
- Bonds	0.0	0.2	-95%
- Others	0.6	0.4	48%
<b>Combined ratio</b>	<b>139%</b>	<b>123%</b>	
- Claims	57%	33%	
- Management exp	70%	70%	
- Commission	12%	20%	
<b>Loss before tax *</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>40%</b>

\* before elimination of intercompany transactions

- Premium growth mainly driven by Motor through the agency channel
- Lower claims ratio in FY22 was mainly due to reversal of claims
- Premium volume in FY23 still sub-scale but moving in the right direction



# 2 Update on Strategic Priorities

# Strategic Priorities

## Lending



ARP volume starting to grow again in IFSS (↑8.4%) and IFSM (↑10.6%)



SCF and Export ARP still nascent



Successful implementation of core system to all subsidiaries

## Insurance



Premium written increase (↑44%) driven by partnerships



Significant new partnership with Inchcape, deepening Sgcarmart collaboration



One of the highest in customer satisfaction at 4.8/5.0 based on Google reviews

## Services

### Lendingpot

- ❖ Facilitated transactions amounting to S\$68.6m to date
- ❖ Launch of Lendingpot in Indonesia
- ❖ Customer satisfaction at 4.9/5.0



- ❖ Pioneer in Private Credit
- ❖ Stable performance
- ❖ CAGR from inception to date at 5.24%

### **FR!DAY** **FRIYAY**

- ❖ Onboarded 6 employers and 54 employees for EWA
- ❖ Customer satisfaction at 4.9/5.0

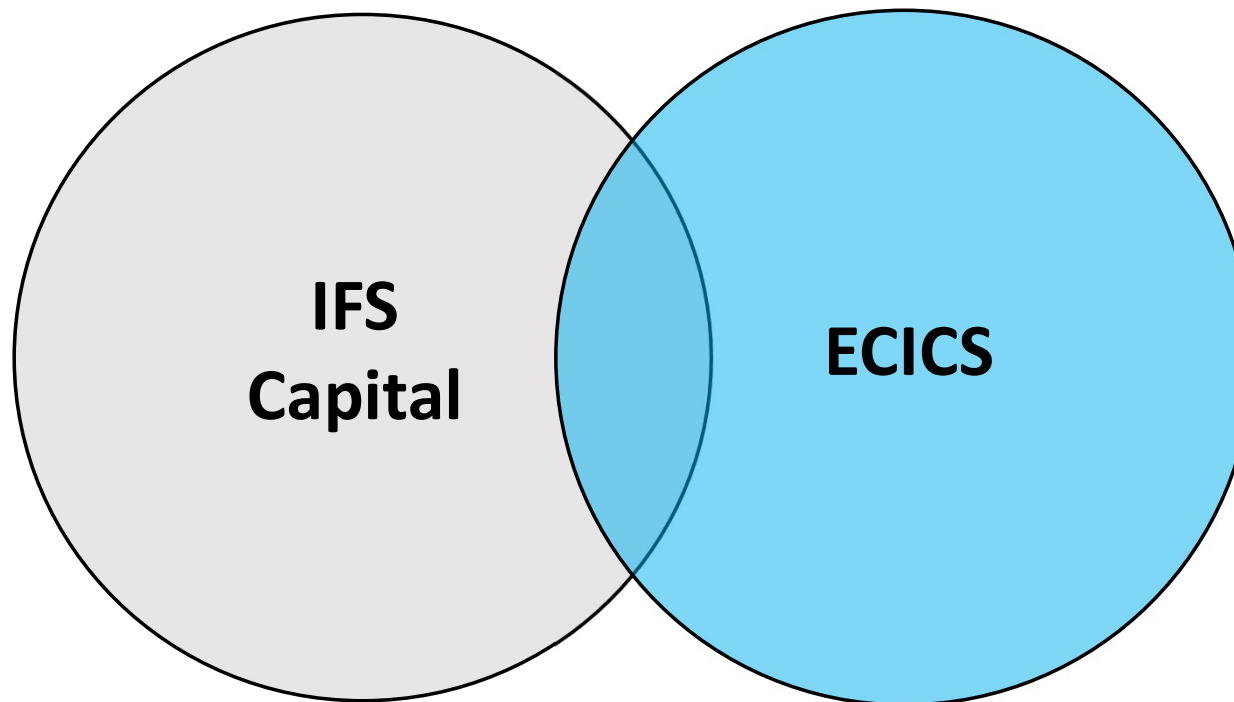
# 3 Moving Forward

# Moving Forward

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## Asset Manager with Specialisation in Private Credit

- Granular Asia-focused private credit
- Build scale and scope in direct origination across segments
- Add capabilities in other asset classes



## Best-in-class Multi-line Insurer

- Build multi-line product offering serving families and businesses
- Focus on community building
- Leverage technology for client experience and productivity



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Responsible Finance in Southeast Asia

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