

FIRST SPONSOR GROUP LIMITED
(the “**Company**”)
(Company Registration No.: AT-195714)
(Incorporated in the Cayman Islands)

Minutes of the Annual General Meeting held at M Hotel – Banquet Suite Level 10, 81 Anson Road, Singapore 079908 on Monday, 27 April 2015 at 3.00 p.m.

PRESENT

Directors

Mr Ho Han Leong Calvin (CH)	- Non-Independent Non-Executive Chairman
Mr Ho Han Khoon (HHK)	- Alternate Director to Mr Ho Han Leong Calvin
Mr Lee Tse Sang Aloysius (AL)	- Non-Independent Non-Executive Director
Mr Neo Teck Pheng (NTP)	- Executive Director and Group Chief Executive Officer (“ GCEO ”)
Ms Ting Ping Ee, Joan Maria (JT)	- Non-Executive Independent Director
Mr Yee Chia Hsing (YCH)	- Non-Executive and Lead Independent Director
Mr Hwang Han-Lung Basil (BH)	- Non-Executive Independent Director

Shareholders - As per attendance list

Proxies - As per attendance list

In-Attendance - As per attendance list

CHAIRMAN

CH presided as Chairman of the Annual General Meeting (“**AGM**”) and welcomed all Shareholders present to the Meeting.

The Chairman informed the Meeting that the voting of the resolutions tabled to this Meeting shall be conducted by way of poll. It was noted that the poll slips have been provided to the Shareholders and proxies at the point of their registrations.

QUORUM

The requisite quorum being present pursuant to the Company’s Amended and Restated Articles of Association (“**Articles**”), the Chairman called the Meeting to order at 3.00 p.m.

NOTICE OF MEETING

The Notice convening the Meeting, having been in the hands of Shareholders for the requisite period, with the concurrence of the Meeting, was taken as read. The Chairman informed the Shareholders present at the Meeting that he has been appointed as proxy by certain shareholders to vote on their behalf, in accordance with their instructions stated in their respective proxy forms.

RESOLUTION 1 - DIRECTORS’ REPORT AND AUDITED FINANCIAL STATEMENTS

The Chairman proceeded with the first item on the agenda which was to receive and adopt the Directors’ Report and Audited Financial Statements for the financial year ended 31 December 2014.

The following motion was duly proposed by Ms Boey Sok Eng (Shareholder) and seconded by Mr Lim Heng Siang (Shareholder):

“That the Directors’ Report and Audited Financial Statements for the financial year ended 31 December 2014 and the Auditors’ Report contained therein be and are hereby received and adopted.”

RESOLUTION 2 – FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND

Mr Neo Aik Chuan (Proxy for Mellford Pte. Ltd.) proposed and Ms Boey Sok Eng (Shareholder) seconded the following motion:

“That the payment of a final tax-exempt (one-tier) dividend of 0.76 Singapore cents per ordinary share for the financial year ended 31 December 2014 be and is hereby approved.”

RESOLUTION 3 – DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Mr Neo Aik Chuan (Proxy for Mellford Pte. Ltd.) proposed and Ms Boey Sok Eng (Shareholder) seconded:

“That the Directors’ fees of S\$151,748 for the financial year ended 31 December 2014 be and is hereby approved.”

RESOLUTION 4 – DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015

Mr Neo Aik Chuan (Proxy for Mellford Pte. Ltd.) proposed and Ms Boey Sok Eng (Shareholder) seconded:

“That the Directors’ fees of S\$244,000 for the financial year ending 31 December 2015 be and is hereby approved and will be paid quarterly in arrears.”

RESOLUTION 5 – RE-ELECTION OF JT RETIRING PURSUANT TO ARTICLE 85(6) OF THE ARTICLES

The Meeting was informed that JT who was due to retire by rotation pursuant to Article 85(6) of the Articles and being eligible had consented to stand for re-election.

The Chairman informed the Meeting that JT, who is an Independent Non-Executive Director, if re-elected as Director of the Company, will remain as Chairperson of the Nominating Committee and a member of the Audit and Remuneration Committees and will be considered Independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“SGX Listing Manual”).

That the following motion was duly proposed by Mr Neo Aik Chuan (Proxy for Mellford Pte. Ltd.) and seconded by Ms Boey Sok Eng (Shareholder):

“That JT be and is hereby re-elected as a Director of the Company.”

RESOLUTION 6 – RE-ELECTION OF YCH RETIRING PURSUANT TO ARTICLE 85(6) OF THE ARTICLES

CH informed the Meeting that YCH who was due to retire by rotation pursuant to Article 85(6) of the Articles and being eligible, had consented to stand for re-election.

The Meeting was informed that YCH is the Lead Independent Director, if re-elected as Director of the Company, will remain as Chairman of the Audit Committee and a Member of the Nominating Committee. He will be considered Independent for the purpose of Rule 704(8) of the SGX Listing Manual.

That the following motion was duly proposed by Mr Neo Aik Chuan (Proxy for Mellford Pte. Ltd.) and seconded by Lo Lih Shu (Shareholder):

“That YCH be and is hereby re-elected as a Director of the Company.”

RESOLUTION 7 – RE-ELECTION OF BH RETIRING PURSUANT TO ARTICLE 85(6) OF THE ARTICLES

CH proceeded to the next agenda on the re-election of BH pursuant to Article 85(6) of the Articles. BH, being eligible, had consented to stand for re-election.

CH informed the Shareholders that BH, is an Independent Non-Executive Director, if re-elected as Director of the Company, will remain as Chairman of the Remuneration Committee. He will be considered Independent for the purpose of Rule 704(8) of the SGX Listing Manual.

The following motion was duly proposed by Mr Neo Aik Chuan (Proxy for Mellford Pte. Ltd.) and seconded by Ms Boey Sok Eng (Shareholder):

“That BH be and is hereby re-elected as Director of the Company.”

RESOLUTION 8 - RE-APPOINTMENT OF AUDITORS

Item 6 on the agenda was to re-appoint KPMG LLP, Public Accountants and Chartered Accountants, as the Company’s Independent Auditors for the financial year ending 31 December 2015 and to authorise the Directors to fix their remuneration.

Mr Neo Aik Chuan (Proxy for Mellford Pte. Ltd.) proposed and Mr Huang Heng Cheong (Shareholder) seconded the following motion:

“That KPMG LLP who have consented for re-appointment as Auditors of the Company, be and is hereby re-appointed.”

CH proceeded with the special businesses of the agenda.

RESOLUTION 9 - AUTHORITY TO ISSUE SHARES

The following motion was duly proposed by Ms Boey Sok Eng (Shareholder) and seconded by Mr Zhang Jiarong (Shareholder):

“That pursuant to the listing rules (“**Listing Rules**”) of the SGX Listing Manual, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (a) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of bonus, rights 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, options, debentures or other instruments convertible into Shares; and/or
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issue; and

- (b) (notwithstanding the authority conferred by this resolution (“**Resolution**”) may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (i) 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 be more than 50% of the total number of issued shares (excluding treasury shares), in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;
- (ii) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to existing shareholders shall not be more than twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;
- (iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (i) and (ii) above, the total number of issued shares (excluding treasury shares) shall be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options or vesting of share awards which are outstanding or subsisting at the date the general mandate is passed and any subsequent bonus issue, consolidation or subdivision of the Company’s shares; and
- (iv) unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force until the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier.”

QUESTIONS AND ANSWERS

The questions raised by the Shareholders and/or proxies pertaining to the Annual Report and other topics, and the corresponding responses from the Directors were set out in the Appendix A attached hereunto.

MOVING THE MOTION FOR POLL VOTING

As there was no further question raised, the Chairman proceeded with the poll voting exercise for all resolutions set out in the Notice of AGM. The Scrutineer from KPMG LLP briefed the Shareholders and proxies on the procedures for conducting a poll.

POLL RESULTS

Upon receiving the scrutineer's report, the Chairman announced the voting results for all resolutions tabled at the Meeting, as follows:

Ordinary Resolutions		For		Against	
		Number of Shares	%	Number of Shares	%
1.	Receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2014 and the Directors' Report and Auditors Report' thereon.	526,843,582	100.00	0	0.00
2.	Approval of a final tax-exempt (one-tier) dividend of 0.76 Singapore cents per ordinary share for the financial year ended 31 December 2014.	526,843,582	100.00	0	0.00
3.	Approval of Directors' fees of S\$151,748 for the financial year ended 31 December 2014.	526,724,582	100.00	12,000	0.00
4.	Approval of Directors' fees of S\$244,000 for the financial year ending 31 December 2015, payable quarterly in arrears.	526,838,582	100.00	5,000	0.00
5.	Re-election of JT as a Director of the Company (Article 85(6)).	525,098,108	99.70	1,745,474	0.30
6.	Re-election of YCH as a Director of the Company (Article 85(6)).	525,098,108	99.70	1,745,474	0.30
7.	Re-election of BH as a Director of the Company (Article 85(6)).	526,843,582	100.00	0	0.00
8.	Re-appoint of KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration.	525,094,108	99.70	1,749,474	0.30
9.	Authority to allot and issue shares.	511,237,749	97.00	15,603,833	3.00

CONCLUSION

There being no other business, the Chairman declared the Meeting concluded at 4.10 p.m. and thanked everyone for their attendance.

Signed as a true record of the proceedings

Ho Han Leong Calvin
Chairman

FIRST SPONSOR GROUP LIMITED

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(Incorporated in the Cayman Islands)

QUESTIONS (“Q”) AND ANSWERS (“A”) ARISING FROM THE COMPANY’S ANNUAL GENERAL MEETING (“AGM”) HELD ON 27 APRIL 2015

Shareholder	Q:	Please refer to page 3 of the financial highlights, the property financing revenue is S\$19.5 million and the profit is higher, at S\$22 million, it sounds like the Company’s profit is very good for this part of the business. Going forward, what is the Company’s rate of growth for this segment of business?
Mr Neo Teck Pheng	A:	Firstly, the Company has indeed recognised S\$19.5 million revenue from the property financing business for the year of 2014. The Company’s gross profit margin for this business is 100%, as the Company is able to pass all the related direct costs of business to its customers. The reason for the profit before tax (i.e. S\$22 million) being higher than gross profit (i.e. S\$19.5 million) is due to other operating income being higher than the operating expenses of the property financing business. The other operating income relates to interest income on funds earmarked by the Group for this business which are not deployed throughout the entire year. On the other hand, the property financing business has limited operating expenses as it is operated out of a small office in Shanghai with a small headcount comprising the Shanghai CEO, the Group Chief Operating Officer, a finance staff and an administrative staff. The Directors and Management see quite a lot of potential in the property financing business.
Shareholder	Q:	Do you have a dividend payout policy?
Mr Neo Teck Pheng	A:	As mentioned in the Initial Public Offering (“IPO”) prospectus, the Company does not have a fixed dividend payout policy, but the Company will try to stick to a dividend of S\$10 million per financial year as disclosed in the prospectus. The proposed dividend of 0.76 Singapore cents per share proposed for the financial year ended 31 December 2014 was based on S\$10 million, adjusted on a pro rata basis from the date of IPO in July 2014 to 31 December 2014.
Shareholder	Q:	Related parties are holding more than 80% of the shares in the Company while the free float is less than 20%, not many fund managers are able to invest in the Company, thus, hardly able to move the share price of the Company.
Mr Neo Teck Pheng	A:	Please refer to page 129 of the annual report. The Company has some institutional investors and key shareholders also see value in the Company. In fact, Tai Tak has been buying shares in the market since the IPO.
Shareholder	Q:	Relinquishment of the Chengdu Wenjiang Interest - can I have the background of this?

Mr Neo Teck Pheng	A:	The Group's first property development project in Chengdu is Chengdu Cityspring, which is located on a site that used to be where our candy factory operated out of. As a result of urbanisation of Chengdu city, the site was rezoned from industrial use to mixed use. The candy operations were then relocated to a new site in Wenjiang. Subsequently, the Wenjiang candy factory land and the factory itself (together, the Chengdu Wenjiang Interest) was relinquished by the Wenjiang Government resulting in the Group recording a profit in FY2014.
Shareholder	Q:	Second question relates to Note 9 of the financial statements which disclosed a loan to the local government of S\$163 million. Is this part of the regular business of the Group?
Mr Neo Teck Pheng	A:	The loan to the Wenjiang Government amounted to S\$157.3 million and is interest bearing. As disclosed in the IPO prospectus, the Group had signed a memorandum of understanding with the Wenjiang Government to cooperate in the proposed development of a residential project called Wenjiang Lake Project. The loan was granted to the Wenjiang Government in order to facilitate the resettlement process for the site so as to in turn facilitate the triggering of the tender for the land.
Shareholder	Q:	For the property financing business, what are the risks involved?
Mr Neo Teck Pheng	A:	The Group does not disburse unsecured loans for its property financing business i.e. it only lend on first mortgage secured on real estate, typically in first tier cities and Chengdu. The Group started the property financing business from January 2012, i.e. about 3 years and 4 months, and there is no default thus far and the clients had serviced the interest promptly.
Shareholder	Q:	Based on annual report of the Company, Mr Wong Hong Ren is supposed to be the Chairman, is he still on the Board?
Mr Ho Han Leong Calvin	A:	Mr Wong tendered his resignation from the Board on 2 April 2015, and in view of the tight timeline, the Nominating Committee has appointed me as the Chairman because I was the Vice-Chairman.
Shareholder	Q:	Regarding the share price, since IPO until now, it has been trailing behind the IPO price.
Mr Neo Teck Pheng	A:	<p>Firstly, I am also a concerned shareholder who owns more than 13 million shares in the Company. So, the share price is as important to you as it is to me. Most of the senior management are also shareholders of the Company. The Management is trying its best to engage the fund managers every quarter after the release of the Group's results announcement. The Group CFO and I also arrange for conference calls with the analysts to brief them of the results announcement.</p> <p>Recently, RHB Securities has arranged for the Company to go on a roadshow in Kuala Lumpur. We understand that First Sponsor has</p>

		<p>been included as one of the gems in its recent publication on “Top Singapore Small Cap Companies – 25 Jewels”. It was stated that First Sponsor is actually under-priced and has a lot of investment potential.</p> <p>I have worked with the Hong Leong Group Singapore, a very cost conscious group for more than 18 years, and First Sponsor definitely inherited the same culture. The Company has a lot of potential to grow, and Management will strike a balance between achieving business growth and its publicity drive.</p>
Shareholder	Q:	Pertaining to Ordinary Resolution 4, why does the Company pay the Directors’ fees for financial year ending 31 December 2015 in arrears?
Mr Neo Teck Pheng	A:	For the year ended 31 December 2014, the directors were still not paid their fees as the shareholders have not resolved to approve these fees until today at the AGM. In order to prevent a recurrence of the same for the year ending 31 December 2015, we have hence put this proposal up for the shareholders’ approval.
Shareholder	Q:	What if the Company makes losses?
Mr Neo Teck Pheng	A:	<p>If the Company makes losses, the independent directors should still get paid. This is quite common market practice for public companies. Further, as it is also common market practice for executive directors of a public company not to collect any director’s fees, I have also renounced my director’s fee for the years 2014 and 2015. Mr Calvin Ho, the Chairman of the Board, has also renounced his director’s fee for both years. In fact, Mr Ho has indicated at our board meeting that he would just like to make a return equivalent to a normal shareholder like you. Hence, the directors’ fees for the shareholders’ approval are basically for the four other directors, of which three of them are independent directors. Directors of public listed company do carry certain fiduciary duties, so therefore whether the Company makes money or not, they should still be paid. Essentially, 2 out of 6 directors are working for free.</p>