

FIRST SPONSOR GROUP LIMITED

(the “**Company**”)

(Company Registration No.: AT-195714)

(Incorporated in the Cayman Islands)

Minutes of the Annual General Meeting of the Company held at Grand Copthorne Waterfront Hotel Singapore, Galleria Ballroom, Level 3, 392 Havelock Road, Singapore 169663 on Tuesday, 24 April 2018 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 CH
Mr Neo Teck Pheng (NTP)	- Executive Director and Group Chief Executive Officer (“ GCEO ”)
Mr Tan Kian Seng (TKS)	- Non-Independent Non-Executive Director
Ms Ting Ping Ee, Joan Maria (JT)	- Non-Executive Independent Director
Mr Yee Chia Hsing (YCH)	- Non-Executive and Lead Independent Director
Mr Desmond Wee Guan Oei (DW)	- 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**” or “**Meeting**”). He extended a warm welcome to all present at the Meeting. CH introduced the Directors and Management seated with him at the Meeting.

QUORUM

The requisite quorum under the Company’s Articles of Association (“**Articles**”) being present, 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 the Shareholders for the requisite period was, with the concurrence of the Meeting, taken as read.

POLL VOTING

The Chairman informed the Meeting that all the resolutions put forward before the Meeting would be voted upon by way of a poll.

The Chairman further informed that Messrs. Moore Stephens LLP had been appointed as Scrutineers for the poll conducted at the Meeting. The Meeting noted that electronic wireless handheld devices had been provided to the Shareholders and Proxies at the point of their registration.

The Scrutineer from Messrs. Moore Stephens LLP explained the procedures for the conduct of voting by poll for all the resolutions tabled at the Meeting.

The Chairman informed the Shareholders present at the Meeting that he had been appointed as proxy by certain Shareholders to vote on their behalf, in accordance with their instructions stated in their respective proxy forms.

ORDINARY BUSINESS

All questions from Shareholders and responses from the Directors and Management are set out in Appendix "A" annexed to these Minutes.

RESOLUTION 1 - AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017, THE DIRECTORS' STATEMENT AND THE AUDITORS' REPORT THEREON

The following motion was duly proposed by Hong Chew Hooi (Shareholder) and seconded by Huang Heng Cheong (Shareholder):

"That the Audited Financial Statements for the financial year ended 31 December 2017, the Directors' Statement and the Auditors' Report contained therein be and are hereby received and adopted."

The Chairman invited questions from the Meeting.

After answering the questions from the Shareholders, the motion was put to vote by poll via electronic manner. 514,962,036 ordinary shares representing approximately 100% voted 'For' the Resolution. The Chairman declared Resolution 1 carried.

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

The following motion was duly proposed by Chiam Kay Hong (Shareholder) and seconded by Ng Kian Seng (Shareholder):

"That the declaration of a final tax-exempt (one-tier) dividend of 1.20 Singapore cents per ordinary share in the capital of the Company ("**Share**") for the financial year ended 31 December 2017 be and is hereby approved."

The Chairman invited questions from the Meeting.

There was no question raised. The motion was put to vote by poll via electronic manner. 515,015,536 ordinary shares representing approximately 100% voted 'For' the Resolution. The Chairman declared Resolution 2 carried.

RESOLUTION 3 – DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

The following motion was duly proposed by See Yat Tuck (Shareholder) and seconded by Huang Heng Cheong (Shareholder):

“That the Directors’ fees of S\$298,000 for the financial year ending 31 December 2018, payable quarterly in arrears, be and are hereby approved.”

The Chairman invited questions from the Meeting.

There was no question raised. The motion was put to vote by poll via electronic manner. 514,897,836 ordinary shares representing approximately 100% voted ‘For’ the Resolution. The Chairman declared Resolution 3 carried.

RESOLUTION 4 – RE-ELECTION OF JT AS DIRECTOR

Chairman informed the Meeting that in accordance with Article 86(1) of the Articles, JT was due to retire as a Director at the Meeting and being eligible for re-election, had offered herself for re-election.

The following motion was duly proposed by Neo Aik Chuan (Proxy) and seconded by Huang Heng Cheong (Shareholder):

“That Ms Ting Ping Ee, Joan Maria be and is hereby re-elected as a Director of the Company.”

The Chairman invited questions from the Meeting.

There was no question raised and the motion was put to vote by poll via electronic manner. 514,833,036 ordinary shares representing 99.99% voted ‘For’ the Resolution. The Chairman declared Resolution 4 carried.

RESOLUTION 5 – RE-ELECTION OF YCH AS DIRECTOR

The Meeting was informed that YCH who was due to retire as Director at the Meeting pursuant to Article 86(1) of the Articles and being eligible for re-election, had offered himself for re-election.

The following motion was duly proposed by Neo Aik Chuan (Proxy) and seconded by Ng Kian Seng (Shareholder):

“That Mr Yee Chia Hsing be and is hereby re-elected as a Director of the Company.”

The Chairman invited questions from the Meeting.

There was no question raised. The motion was put to vote by poll via electronic manner. 513,347,733 ordinary shares representing 99.99% voted ‘For’ the Resolution. The Chairman declared Resolution 5 carried.

RESOLUTION 6 – RE-APPOINTMENT OF AUDITORS

The Chairman informed the Meeting that Messrs. KPMG LLP have confirmed their willingness to accept re-appointment as Auditors of the Company.

Hong Chew Hooi (Shareholder) proposed and Khoo Yiok Khoon Mervyn (Shareholder) seconded the following motion:

“That KPMG LLP, who have consented to their re-appointment as Auditors of the Company, be and are hereby re-appointed, and the Directors be and are hereby authorised to fix their remuneration.”

The Chairman invited questions from the Meeting.

There was no question raised. The motion was put to vote by poll via electronic manner. 514,584,996 ordinary shares representing 99.99% voted ‘For’ the Resolution. The Chairman declared Resolution 6 carried.

SPECIAL BUSINESSES

RESOLUTION 7 - AUTHORITY TO ALLOT AND ISSUE NEW SHARES

The following motion was duly proposed by Shiao Chung Chiang (Shareholder) and seconded by Huang Heng Cheong (Shareholder):

“That, authority be and is hereby given to the Directors of the Company to:

- (a)
 - (i) issue 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,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this 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 exceed 50% of the total number of issued Shares (excluding treasury shares) or such other limit as may be prescribed by the SGX-ST at the time of passing of this Resolution;
- (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 shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) or such

other limit as may be prescribed by the SGX-ST at the time of passing of this Resolution;

- (iii) (subject to such manner of calculation as may be prescribed by the SGX-ST) 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 based on the total number of issued Shares (excluding treasury shares) at the time of passing of this Resolution after adjusting for any new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of passing of this Resolution and any subsequent bonus issue, consolidation or subdivision of the Shares; and
- (iv) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of 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.”

The Chairman invited questions from the Meeting.

There was no question raised. The motion was put to vote by poll via electronic manner. 500,178,199 ordinary shares representing 97.36% voted ‘For’ the Resolution. The Chairman declared Resolution 7 carried.

CONCLUSION

There being no other business, the Chairman declared the Meeting closed at 4.00 p.m. and thanked all present for their attendance.

Signed as a true record of the proceedings

Ho Han Leong Calvin
Chairman

FIRST SPONSOR GROUP LIMITED*(Company Registration No.: AT-195714)**(Incorporated in the Cayman Islands)***Questions & Answers – Annual General Meeting on 24 April 2018**

Questions / Comments From Shareholders / Proxies		Company's Reply
RESOLUTION 1 - AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017, THE DIRECTORS' STATEMENT AND THE AUDITORS' REPORT THEREON		
1.	Chen Yan Hao (Proxy)	
(a)	Any particular reason why the Company is undertaking a rights issue of convertible securities rather than ordinary shares?	NTP: In the previous AGM, shareholders asked for a higher dividend payout. The rights issue gives shareholders the opportunity to participate in perpetual convertible capital securities ("PCCS") that give a higher payout. The total dividend for FY2017 is 2.2 cents per share that translates to a dividend yield of less than 2% whereas the PCCS have a distribution rate of 3.98% on their principal amount. The PCCS also give Shareholders a choice to convert them into ordinary shares on a 1-for-1 basis and trade such ordinary shares.
(b)	I don't think this is a bond. The non-payment of distribution on the PCCS does not constitute a default. Hence, it is a convertible security.	NTP: The PCCS are perpetual bonds, which are quite common in the Singapore capital market. For most perpetual bonds, the issuer (in this case, First Sponsor) has the discretion not to pay any scheduled distribution, without triggering a default of the Terms and Conditions. The PCCS rank ahead of shares.
(c)	If the Company wants to increase the payout, the Company can declare a higher dividend in respect of its ordinary shares, instead of issuing convertible securities/bonds.	NTP: While the Company would like to give a higher payout, it is in a stage of growth. As we grow, we are also calling for equity. Back to your first question, the Board could have chosen to do a rights issue of ordinary shares to raise capital but in this case, the Board chose to do a rights issue of PCCS.
(d)	Will there be any change to the dividend policy for the ordinary shares going forward?	NTP: The Board has consistently told shareholders that we will work towards a steady payout with a steady growth. Since the Company's IPO in July 2014, the dividend payout has been increasing progressively. To the extent that the Company does well and is able to execute its business strategies successfully, we will continue to work on this basis as well.
2.	Tan Kian Lye (Shareholder)	
(a)	For the PCCS, I understand from the offer information statement that the Company may not pay the distribution?	NTP: Yes, the PCCS give the issuer the discretion of not paying a scheduled distribution. Similarly for shares, the Board may also not recommend a dividend payout, depending on the circumstances. If the Company does not pay a scheduled distribution, a dividend stopper which restricts the Company from paying dividends on the ordinary shares, applies.
(b)	For the PCCS, will the holders be paid "interest"?	NTP: Yes, "interest" in the form of distributions are payable on the PCCS.

Questions / Comments From Shareholders / Proxies		Company's Reply
(c)	Is there any deadline for the conversion of the convertible securities?	NTP: No, there is no deadline for conversion since PCCS are perpetual instruments.
(d)	Can I convert the PCCS into ordinary shares at any time?	NTP: You may convert the PCCS at any time from 30 May 2018.
(e)	What are the conversion procedures?	NTP: You need to submit a form to the Conversion Agent (which is also the Company's Share Registrar). They will guide you. You may also write in to the Company via our IR website or approach your stock broker.
3.	David Choo Kia Pew (Shareholder)	
(a)	What was the take up rate for the PCCS?	NTP: The take up rate was announced by the Company via SGX-NET. Including excess applications, it was more than 100% subscribed.
(b)	After this rights issue, the share price has fallen. Earlier on, you said that the Company was performing well, but I beg to differ.	<p>NTP: There could be many reasons for the decrease in share price. I can share two reasons with you.</p> <p>First, it could be due to the 1-for-10 bonus issue. If before the bonus issue, you held 100 shares at S\$1.40 per share, after the bonus issue, you hold 110 shares, the additional 10 shares having been given to you for free. If you multiply the current share price by 1.1, that will give you the corresponding share price before the bonus issue.</p> <p>Second, it could be due to the rights issue of PCCS that are deep in the money. The shares are currently trading at S\$1.26 and the conversion price of the PCCS is S\$1.10. You can convert the PCCS into ordinary shares from 30 May 2018 and realise an immediate gain.</p> <p>An investor told me that if the shares are trading at S\$1.28 post-bonus and rights issues, this tantamounts to the shares trading at around S\$1.453 pre-bonus and rights issues. From that perspective, the share price of the Company has increased since the last AGM. Shortly after the IPO, the share price fell but subsequently, it increased.</p>
(c)	Did you reject to take up your rights entitlements?	NTP: No, I did not reject my rights entitlements. I hold a 2.3% stake in First Sponsor through two companies. For tax planning reasons, I got the companies to renounce their rights entitlements to myself as an individual for which I have subscribed in full.
4.	Chua Beng Huat (Proxy)	
(a)	How was the excess rights allocated to shareholders?	NTP: The rights allocation was announced by the Company on 16 April 2018 via SGX-NET.

Questions / Comments From Shareholders / Proxies		Company's Reply
(b)	It seems like we did not get the fair share of the excess rights. Based on the money returned (which I have not checked), it seems like we received less. Were certain people allocated more as compared to other shareholders?	NTP: The Company was advised and assisted by DBS Bank (the Manager of the rights issue) and Tricor (the Share Registrar) with regard to the allocation. The allocation of the excess rights was in accordance with what we announced on 16 April 2018.
5.	Chen Yan Hao (Proxy)	
(a)	<p>I would like to share and add on to my previous questions on why I asked about the Company's dividend policy moving forward.</p> <p>Currently, I have both the ordinary shares and PCCS. I would like to know whether I should sell all my ordinary shares and just keep the convertible securities to enjoy all its upside or should I convert all my convertible securities into ordinary shares and enjoy the dividend payout.</p> <p>This kind of structure is very common in Malaysia. They call it loan stock and is usually not perpetual and lasts for 2 or 3 years with higher payout than shares. In First Sponsor's case, it is perpetual. Hence, I would like to have a feel on whether I should keep both.</p>	<p>NTP: A number of the Directors on this Board have both shares and PCCS as well.</p> <p>If you were to sell all your shares and only hold PCCS, the risk may be lower as PCCS rank ahead of shares and have a higher payout. Assuming a special dividend is declared or the share price increases, you can convert your PCCS into ordinary shares.</p> <p>However, for every 100 shares you held, you would have been issued 25 PCCS. You may be issued more PCCS pursuant to the excess allocation. If you wish to buy more PCCS, you are unlikely to be able to buy at S\$1.10 per PCCS as it is currently trading at about S\$1.20 plus. Trading is limited as there is not much float in the market. Hence, it is not something that you can easily trade in and out of.</p> <p>If we decide to raise more funds through the rights issue of such instruments again, you will not be able to participate in such rights issue if you do not hold ordinary shares.</p> <p>There are many scenarios and possibilities. I can only point out to you a few of them. You need to evaluate the pros and cons on your own.</p>
6.	Victor Lee Chin Teck (Shareholder)	
(a)	What is the main purpose of this equity fund raising? Which areas are you expanding into? Please share with us what are the challenges and what we can look forward to in the various segments in FY2018?	<p>NTP: The net proceeds of the rights issue may be used by the Company to fund property development ("PD") projects, its property holding ("PH") business and/or its property financing ("PF") business.</p> <p>You will note from the Company's quarterly results announcements that the Company acquired a number of good quality assets mainly in the Netherlands in FY2017 and one in Frankfurt, Germany earlier this year. We have been expanding into Europe since early 2015 and are already into our 4th year of European expansion. The expansion has been very fruitful and the Company has built up a fairly strong stable base of recurrent income.</p> <p style="text-align: right;">(Con't)</p>

Questions / Comments From Shareholders / Proxies	Company's Reply
6(a) (Con't)	<p>We continued our current businesses in China. Last year, we acquired a portfolio of so called “outdated” properties in Dongguan which are very well-situated. We will wait for rezoning to happen. Dongguan has become a very different place compared to when First Sponsor first ventured there in 2007. There is an urbanization transformation in Dongguan. We hope that First Sponsor, by getting the right asset at the right price at the right location, will benefit from this urbanization transformation.</p>
<p>(b) One of the Company's major shareholders is City Developments Limited (“CDL”). The Company is in land banking/property development businesses and CDL is also in similar businesses. When there are good business opportunities, how do you share the pie?</p>	<p>NTP: I used to work for the Hong Leong Singapore Group (since 1996), in the office of its Chairman, Mr Kwek Leng Beng. This had exposed me to the operations of Hong Leong Finance, CDL, Millennium & Copthorne (“M&C”) and other companies within the Hong Leong Singapore Group. You can see the businesses of all these big players in First Sponsor:</p> <p>Financing business → Hong Leong Finance Property development business → CDL Hotel business → M&C</p> <p>I still see Chairman Kwek every now and then.</p> <p>As recent as January this year, when we entered into the German market for the first time via the acquisition of the Le Meridien Frankfurt hotel, we reached out to the major shareholders to support us which they did. Based on the €85 million acquisition price, CDL and Tai Tak provided senior debt financing for three years at approximately 60% loan to value ratio at the fixed interest rate of 1.38% per annum.</p> <p>As part of our European expansion plan, First Sponsor may inadvertently compete with the Hong Leong Singapore Group on open market deals. When that happens, we will exclude Mr Tan Kian Seng, who is the interim Group CEO and Chief of Staff of M&C from deliberations, discussions and decision making in relation to such acquisition until such time that First Sponsor is in exclusive discussions with the seller. Therefore, while we compete with the Hong Leong Singapore Group, we also cooperate with each other, for example, in the Frankfurt acquisition.</p>
<p>(c) We are familiar with Hong Leong and CDL, and we know that CDL is very big in China.</p> <p>What strengths do Tai Tak have in China / Hong Kong which it can bring to First Sponsor? Maybe you can share with us more about Tai Tak.</p>	<p>NTP: Tai Tak brought us to Chengdu in 2008. The first development project of First Sponsor was actually an ex-candy factory co-owned by Tai Tak and one of their joint venture partners. First Sponsor first entered the Netherlands because of Tai Tak.</p> <p>In July 2014, when First Sponsor undertook an IPO to raise funds, we mentioned in the IPO prospectus that we had signed various MOUs to acquire land bank in China. However, we could not execute that strategy in 2014. The reason was that, right after the IPO, President Xi of China was so “hot” into his anti-corruption campaign that it was virtually impossible to do business and acquire new land there. Hence, Management raised the issue on the deployment of the IPO proceeds to expand First Sponsor to the Board.</p> <p style="text-align: right;">(Con't)</p>

Questions / Comments From Shareholders / Proxies		Company's Reply
6(c)	(Con't)	<p>Mr Calvin Ho ("CH") and Mr Ho Han Khoon Alvin ("HHK") suggested that the Company venture into the Netherlands where Tai Tak invested in industrial businesses for the past 20 years. Both CH and HHK shared with us the good experience that they have had so far in the Netherlands. Ms Lee Sau Hun, the Group CFO, and I made our first trip to the Netherlands in October 2014. The Tai Tak team arranged for their Dutch CEO, COO and their senior managers to accompany us every single day of our two-week trip, providing us the assistance we needed during the entire trip.</p> <p>They were able to point out to us which area is the equivalent of Shenton Way, Toa Payoh or Ang Mo Kio etc. as they are very familiar with Singapore. That is why First Sponsor was able to execute its expansion plan in the Netherlands so fast so well.</p>
6(d)	First Sponsor has 3 business divisions; PD, PH and PF. These businesses are actually a consolidation of 3 parts of CDL. You combine them and do it as one business. That means your Board strength must be very strong. Hence, I want to know the strengths of your Board that have enabled you to do all these things.	<p>NTP: We have a very strong and dedicated team as well as very supportive Board members and key shareholders. The businesses that First Sponsor has are not 3 parts of CDL. CDL has the development and hotel parts. Hong Leong Finance is outside of CDL but part of the Hong Leong Singapore Group. When I was working in the office of Chairman Kwek, I learnt from him and others. That opportunity was valuable and the best exposure I ever had.</p> <p>We also receive great support from the Independent Directors. For example, when we deal with property financing, Ms Joan Ting's experience is very important to us. Prior to Ms Joan Ting's retirement, she spent her entire career in DBS Bank and held various key positions including the position of Managing Director, Head Corporate Credit Group. We also have an investment banker and a lawyer on our Board.</p>