

FIRST SPONSOR GROUP LIMITED

(the “**Company**”)

(Company Registration No.: 195714)

(Incorporated in the Cayman Islands)

Minutes of the Annual General Meeting of the Company held at Copthorne King’s Hotel, Level 2 Ballroom, 403 Havelock Road, Singapore 169632 on Thursday, 25 April 2024 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
Mr Kingston Kwek Eik Huih	- Non-Independent Non-Executive Director
Ms Ting Ping Ee Joan Maria (JT)	- Non-Executive Independent Director
Mr Desmond Wee Guan Oei (DW)	- Non-Executive Independent Director
Ms Tan Yee Peng (TYP)	- Non-Executive Independent Director
Ms Low Beng Lan (LBL)	- Non-Executive Independent Director

Shareholders

- As per attendance list

Proxies

- As per attendance list

In-Attendance

- As per attendance list

Absent with apologies

Mr Yee Chia Hsing (YCH) - Non-Executive Lead Independent Director

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. CH informed the Meeting that YCH, the Lead Independent Director, who would be retiring at the conclusion of the AGM, had extended his apologies to all present, for not being able to attend the Meeting.

In 2023, the Company faced an extremely challenging business environment. The persistent economic headwinds, compounded by global inflationary pressures and escalating geopolitical tensions posed significant challenges for the Company. Despite these challenges, CH was pleased to announce that the Company had not only withstood these storms but had emerged even more resilient. CH extended his heartfelt appreciation to the Management and employees for their dedication and hard work.

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 conducting the 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 – TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023, THE DIRECTORS' STATEMENT AND THE AUDITOR'S REPORT THEREON

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

"That the Audited Financial Statements for the financial year ended 31 December 2023, the Directors' Statement and the Auditor's 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. 633,467,820 ordinary shares representing approximately 100% voted 'For' the Resolution. The Chairman declared Resolution 1 carried.

RESOLUTION 2 – TO DECLARE A FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 3.10 CENTS PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

“That the declaration of a final tax-exempt (one-tier) dividend of 3.10 Singapore cents per ordinary share in the capital of the Company for the financial year ended 31 December 2023 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. 633,468,160 ordinary shares representing approximately 100% voted ‘For’ the Resolution. The Chairman declared Resolution 2 carried.

RESOLUTION 3 – TO APPROVE DIRECTORS’ FEES OF S\$393,438 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (PAYABLE QUARTERLY IN ARREARS) (2023: S\$413,000)

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

“That the Directors’ fees of S\$393,438 for the financial year ending 31 December 2024, 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. 633,451,120 ordinary shares representing approximately 100% voted ‘For’ the Resolution. The Chairman declared Resolution 3 carried.

RESOLUTION 4 – TO RE-ELECT LBL AS A DIRECTOR RETIRING PURSUANT TO ARTICLE 85(6) OF THE COMPANY’S ARTICLES OF ASSOCIATION

Resolution 4 dealt with the re-election of LBL. The Chairman informed the Meeting that in accordance with Article 85(6) of the Articles, LBL was due to retire as a Director at the Meeting and being eligible for re-election, had offered herself for re-election. Upon re-election as Director of the Company, LBL would be appointed as a member of the Audit and Risk Committee and a member of the Remuneration Committee. She would be considered an Independent Director.

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

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

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. 633,453,222 ordinary shares representing approximately 100% voted ‘For’ the Resolution. The Chairman declared Resolution 4 carried.

RESOLUTION 5 – TO RE-APPOINT ERNST & YOUNG LLP AS THE AUDITOR OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 AND TO AUTHORISE THE DIRECTORS TO FIX ITS REMUNERATION

The Chairman informed the Meeting that Messrs Ernst & Young LLP has confirmed its

willingness to accept re-appointment as the Auditor of the Company.

Lee Sau Hun (Shareholder) proposed and See Yat Tuck (Shareholder) seconded the following motion:

“That Ernst & Young LLP, who has consented to its re-appointment as the Auditor of the Company, be and are hereby re-appointed, and the Directors be and are hereby authorised to fix its remuneration.”

The Chairman invited questions from the Meeting.

There was no question raised. The motion was put to vote by poll via electronic manner. 633,436,182 ordinary shares representing approximately 100% voted ‘For’ the Resolution. The Chairman declared Resolution 5 carried.

SPECIAL BUSINESS

RESOLUTION 6 - AUTHORITY TO ALLOT AND ISSUE NEW SHARES

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

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

- (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus 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, debentures or other instruments convertible into shares,

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:

- (1) 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) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation and adjustments as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares, and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Memorandum and Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company 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. 631,911,301 ordinary shares representing 99.75% voted ‘For’ the Resolution. The Chairman declared Resolution 6 carried.

CONCLUSION

There being no other business, the Chairman declared the Meeting closed at 3.57 p.m. and thanked all present for their attendance.

Signed as a true record of the proceedings

Ho Han Leong Calvin
Chairman

Date:

FIRST SPONSOR GROUP LIMITED*(Company Registration No.: 195714)**(Incorporated in the Cayman Islands)***Questions & Answers – Annual General Meeting on 25 April 2024**

Questions / Comments From Shareholders / Proxies	Company's Reply
RESOLUTION 1 - AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023, THE DIRECTORS' STATEMENT AND THE AUDITOR'S REPORT THEREON	
<p>(a) A shareholder raised concerns about the Company's public float, noting a decrease from around 14% in Year 2020 to 10.23% currently.</p> <p>The shareholder highlighted the active role of the two major shareholders in recapitalisation, and expressed concerns that the free float might fall below 10% in the next round of recapitalisation. The shareholder sought clarity on how the Board and Management plan to address this issue.</p>	<p>NTP acknowledged the reduced public float and clarified that the Board cannot restrict the two major shareholders' decisions regarding the exercise of their warrants, which can impact the float. The Company has issued public reminders about the upcoming expiry of one tranche of warrants in May 2024. NTP emphasised that if retail investors choose to exercise these warrants, the free float should improve.</p>
<p>(b) A shareholder referenced page 14 of the 2023 Annual Report, specifically the Chairman's Statement, which highlighted the potential for a material adverse financial impact on First Sponsor Group Limited and its subsidiaries (the "Group") if the S\$ were to significantly weaken against the €, A\$, and/or RMB. The shareholder sought further elaboration on this potential impact.</p>	<p>NTP explained that the Group hedges its foreign exchange risk using a combination of two approaches; namely, by taking on foreign currency debt and entering into financial derivatives with financial institutions. The exposure to these foreign currencies arises because the Group reports in S\$ but does not have any material assets in Singapore. The bulk of the Group's asset base is located overseas.</p> <p>To explain the potential material adverse financial impact resulting from the financial derivatives, NTP cited an extreme scenario when the S\$ becomes worthless. In this scenario, the Group's derivative strategy of buying S\$ and selling foreign currency at a predetermined rate would then require the Group to exchange valuable assets (the foreign currency) for the worthless S\$. This would negatively impact the Group's profit and loss ("P&L"). The banks, acting as counterparties for these financial derivatives, could also demand cash top-ups or require the Group to cover losses at maturity, when the S\$ exchange rate becomes unfavorable to the Group, thus further affecting actual cash flow on top of the accounting P&L impact.</p> <p>NTP then explained the opposite scenario when the foreign currencies become worthless, which is the main reason for the Group to enter into these financial derivatives. In this scenario, the Group will be exchanging worthless foreign currencies for the more valuable S\$, as such indirectly preserving the value of the foreign assets owned by the Group in S\$ terms.</p>

		<p>NTP noted that the Group’s balance sheet in the 2023 Annual Report shows the value of derivative assets exceeding that of derivative liabilities, indicating that the financial derivatives entered into are currently profitable. The Board affirmed its commitment to continue exercising caution and constant monitoring of the associated risks to the Group while hedging these foreign currencies.</p>
(c)	<p>A shareholder enquired about the Group’s plans to review its business model, considering the potentially protracted recovery of the property market in China. The shareholder suggested exploring options such as generating recurring income or engaging in active capital recycling.</p>	<p>In response, NTP stated that the Group already possesses a sizeable portfolio of offices and hotels that generate recurring income. The Group is currently involved in various projects, including the development of office and residential properties in The Netherlands, as well as renovating and upgrading hotels in Frankfurt and Milan. These initiatives aim to bolster the Group’s recurring income portfolio.</p> <p>NTP added that while there was no pressing need to sell the Group’s hotels or offices to raise funds for reinvestment, the Group remains open to selling its assets should genuine offers at very attractive prices arise, akin to the Group’s consistent practice of capitalising on acquisition opportunities.</p>
<p>RESOLUTION 4 – TO RE-ELECT MS LOW BENG LAN AS A DIRECTOR RETIRING PURSUANT TO ARTICLE 85(6) OF THE COMPANY’S ARTICLES OF ASSOCIATION</p>		
(a)	<p>A shareholder asked the Independent Directors to share their views on the liquidity of the Company’s shares and the low free float issue.</p> <p>In response to TYP’s comment, the shareholder expressed his view that low liquidity due to the low free float is a significant hindrance to buying the</p>	<p>In response, TYP stated that issues relating to the liquidity of the Company’s shares and the low free float lie within the prerogatives of the shareholders. It is also dependent on the retail shareholders to exercise their warrants as this should help increase the free float. TYP reassured that the Board will consider the low liquidity and free float in connection with future fund raising exercised by the Company.</p> <p>DW emphasised that the Board consistently prioritises the shareholders’ best interests and values their inputs when making decisions for the Company. Whilst he agreed that it would be good to have a higher level of free float, this is beyond the control of the Board. Instead, the Board focuses on making strategic decisions that ensured the stability of the Group and its business model. By doing so, the Board hopes to attract more retail shareholders, thereby increasing the free float and liquidity in the Company’s shares.</p> <p>TYP added that, considering the Company’s share price and warrant exercise prices relative to the Group’s consolidated net asset value and historical dividend yield, it remains fairly attractive for retail investors to consider buying the Company’s shares or exercising its warrants.</p>

	<p>Company's shares and exercising warrants. Additionally, the shareholder noted that exercising the warrants would not make sense to him if these warrants are out of the money.</p>	
(b)	<p>A shareholder raised concerns about the Company's earnings per share (EPS) being less than 2 cents while dividends were paid out at 3.1 cents per share, suggesting potential unsustainability given the current Chinese market conditions.</p>	<p>NTP acknowledged that 2023 was a challenging year, which resulted in lower earnings. However, the Company still has significant retained earnings accumulated over the years, which was more than double the Company's paid-up capital and share premium.</p> <p>NTP assured shareholders that the Board had thoroughly considered all relevant factors before proposing the dividend payout, indicating a careful approach to balancing dividend payments with the Company's financial health and market conditions. NTP also reminded shareholders this cautious approach has been evident in previous years, as the Board did not recommend any special dividends even when the Group reported exceptionally good results.</p>