

## 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 M Hotel Singapore, Banquet Suite Level 10, 81 Anson Road, Singapore 079908 on Thursday, 27 April 2023 at 3.00 p.m.

### Present

#### Directors

Mr Ho Han Leong Calvin (CH)	- Non-Independent Non-Executive Chairman
Mr Ho Han Khoon	- Alternate Director to CH
Mr Neo Teck Pheng (NTP)	- Executive Director and Group Chief Executive Officer (“ <b>GCEO</b> ”)
Mr Kingston Kwek Eik Huih	- 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
Ms Tan Yee Peng (TYP)	- 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 – TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022, THE DIRECTORS' STATEMENT AND THE AUDITORS' REPORT THEREON**

The following motion was duly proposed by Huang Heng Cheong (Shareholder) and seconded by Tse Yin Tai Winston (Shareholder):

"That the Audited Financial Statements for the financial year ended 31 December 2022, 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. 864,786,311 ordinary shares representing 100% voted 'For' the Resolution. The Chairman declared Resolution 1 carried.

#### **RESOLUTION 2 – TO DECLARE A FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 2.70 CENTS PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The following motion was duly proposed by Khor Hui Boon (Proxy) and seconded by See Yat Tuck (Shareholder):

"That the declaration of a final tax-exempt (one-tier) dividend of 2.70 Singapore cents per ordinary share in the capital of the Company for the financial year ended 31 December 2022 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. 864,774,161 ordinary shares representing approximately 100% voted 'For' the Resolution. The Chairman declared Resolution 2 carried.

#### **RESOLUTION 3 – TO APPROVE DIRECTORS' FEES OF S\$ 413,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023 (PAYABLE QUARTERLY IN ARREARS) (2022: S\$371,000)**

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

“That the Directors’ fees of S\$413,000.00 for the financial year ending 31 December 2023, 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. 864,746,161 ordinary shares representing approximately 100% voted ‘For’ the Resolution. The Chairman declared Resolution 3 carried.

#### **RESOLUTION 4 – TO RE-ELECT CH AS A DIRECTOR RETIRING PURSUANT TO ARTICLE 86(1) OF THE COMPANY’S ARTICLES OF ASSOCIATION**

Resolution 4 dealt with the re-election of CH and the chairmanship was handed over to NTP.

NTP informed the Meeting that in accordance with Article 86(1) of the Articles, CH was due to retire as Director at the Meeting and being eligible for re-election, had offered himself for re-election. Upon re-election as Director of the Company, CH would remain as Non-Executive Chairman of the Board, member of the Audit and Risk Committee and member of the Remuneration Committee. CH is considered a Non-Executive and Non-Independent Director.

The following motion was duly proposed by Huang Heng Cheong (Shareholder) and seconded by Tan Tock Hian (Chen Duxian) (Shareholder):

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

NTP invited questions from the Meeting.

There was no question raised and the motion was put to vote by poll via electronic manner. 863,303,420 ordinary shares representing 99.83% voted ‘For’ the Resolution. NTP declared Resolution 4 carried.

NTP passed the chairmanship back to CH who continued with the conduct of the meeting.

#### **RESOLUTION 5 – TO RE-ELECT NTP AS A DIRECTOR RETIRING PURSUANT TO ARTICLE 86(1) OF THE COMPANY’S ARTICLES OF ASSOCIATION**

Resolution 5 dealt with the re-election of NTP. The Chairman informed the Meeting that in accordance with Article 86(1) of the Articles, NTP was due to retire as a Director at the Meeting and being eligible for re-election, had offered himself for re-election. Upon re-election as Director of the Company, NTP would remain as a member of the Nominating Committee. NTP is the GCEO and Executive Director.

The following motion was duly proposed by YCH (Shareholder) and seconded by Tse Yin Tai Winston (Shareholder):

“That NTP 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. 864,762,561 ordinary shares representing approximately 100% voted 'For' the Resolution. The Chairman declared Resolution 5 carried.

**RESOLUTION 6 – TO RE-ELECT DW AS A DIRECTOR RETIRING PURSUANT TO ARTICLE 86(1) OF THE COMPANY'S ARTICLES OF ASSOCIATION**

Resolution 6 dealt with the re-election of DW. The Chairman informed the Meeting that in accordance with Article 86(1) of the Articles, DW was due to retire as a Director at the Meeting and being eligible for re-election, had offered himself for re-election. Upon re-election as Director of the Company, DW would remain as Chairman of the Remuneration Committee and be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

The following motion was duly proposed by Khor Hui Boon (Proxy) and seconded by See Yat Tuck (Shareholder):

"That DW 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. 864,738,261 ordinary shares representing approximately 100% voted 'For' the Resolution. The Chairman declared Resolution 6 carried.

**RESOLUTION 7 – TO RE-ELECT TYP AS A DIRECTOR RETIRING PURSUANT TO ARTICLE 85(6) OF THE COMPANY'S ARTICLES OF ASSOCIATION**

Resolution 7 dealt with the re-election of TYP. The Chairman informed the Meeting that in accordance with Article 85(6) of the Articles, TYP 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 a Director of the Company, TYP would remain as Chairperson of the Audit and Risk Committee and be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

The following motion was duly proposed by Yang Ser Hong (Shareholder) and seconded by Khor Hui Boon (Proxy):

"That TYP 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. 864,738,261 ordinary shares representing 100% voted 'For' the Resolution. The Chairman declared Resolution 7 carried.

**RESOLUTION 8 – TO RE-APPOINT ERNST & YOUNG LLP AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023 AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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

See Yat Tuck (Shareholder) proposed and JT (Shareholder) seconded the following motion:

“That Ernst & Young 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. 864,740,461 ordinary shares representing approximately 100% voted ‘For’ the Resolution. The Chairman declared Resolution 8 carried.

## **SPECIAL BUSINESS**

### **RESOLUTION 9 - AUTHORITY TO ALLOT AND ISSUE NEW SHARES**

The following motion was duly proposed by Yeo Lii Wei (Proxy) 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, options, debentures or other instruments convertible into shares; and/or

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 the 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. 862,589,120 ordinary shares representing 99.83% voted ‘For’ the Resolution. The Chairman declared Resolution 9 carried.

## **CONCLUSION**

There being no other business, the Chairman declared the Meeting closed at 4.12 p.m. and thanked all present for their attendance.

Signed as a true record of the proceedings

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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 27 April 2023**

Questions / Comments From Shareholders / Proxies	Company's Reply
<b>RESOLUTION 1 - AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022, THE DIRECTORS' STATEMENT AND THE AUDITORS' REPORT THEREON</b>	
<p>(a) A shareholder referred to the low trading volume of the Company's shares and asked if the Company would consider ways to improve liquidity such as a dual listing in Hong Kong or arrange for more analysts other than Phillip Securities to report on the Company.</p> <p>The shareholder also suggested that the Company include trading statistics in the next Annual Report.</p>	<p>NTP acknowledged that the trading liquidity of the Company's shares is low. NTP outlined that a key reason for the low liquidity could be that a significant percentage of the Company's shares are held by key investors/shareholders, the largest being Tai Tak and CDL. In addition, the Management team, as a whole, holds more than 5% of the Company's shares. Such key investors/shareholders and the Management team are familiar with the Company and believe in the long-term investment value of the Company. They are therefore unlikely to sell their shares, although they may acquire additional shares outside of blackout periods, which further contribute to the low liquidity.</p> <p>NTP said that the Company has so far tried to boost liquidity with the appointment of Phillip Securities as liquidity provider and market maker. In the past, Management considered undertaking a share placement to improve liquidity. However, this was not proceeded with as Management did not believe that the share placement price based on the prevailing market price would properly reflect the value of the Company and would instead destroy value for existing shareholders. NTP said that Management also previously considered a dual listing. However, after considering the limited improvement to liquidity experienced by other dual listed companies such as CDL Hotels International Limited which was previously dual listed in Singapore and Hong Kong, Management decided not to proceed with a dual listing.</p> <p>NTP said that the key factor that could help improve liquidity would be retail investors' demand for the Company's shares. He expressed his view that the key shareholders have been acquiring the Company's shares because they believe that the Company is undervalued, and if retail investors share the same belief, they should continue to invest in the Company.</p> <p>With regard to including the trading statistics in the Annual Report, NTP responded that the Board will consider if such inclusion is appropriate.</p>
<p>(b) A shareholder referred to Note 27 of the Financial Statements which shows a significant jump in the fair value gain on derivative assets/liabilities as compared to</p>	<p>NTP said that while the Company's reporting currency is S\$, its income is generated mainly in RMB, Euro and A\$ due to the geographical locations of the Group's operations and businesses. The Group is exposed to foreign exchange risks and, to address such risks, Management adopts a combination of risk mitigation</p>

	<p>FY2021 and queried the reasons for the jump.</p>	<p>strategies. In brief, to mitigate foreign exchange risks, the Group may incur borrowings in the relevant geographical location denominated in the currency of that geographical location (“<b>Relevant Foreign Jurisdiction</b>”), for example, RMB in China, Euro in the Netherlands and Germany, and A\$ in Australia, and/or incur borrowings in Singapore in the currency of the Relevant Foreign Jurisdiction. Alternatively, the Group may enter into financial derivatives such as cross currency swaps, forex forward contracts and/or forex swaps. NTP explained that the jump in the fair value gains on derivative assets/liabilities shown in Note 27 of the Financial Statements mainly arose from the appreciation in value of the Group’s Euro denominated financial derivatives due to the depreciation of Euro against S\$ in FY2022. NTP however pointed out that Euro has since appreciated against S\$ and accordingly, the gain on those Euro denominated financial derivatives has dropped as at the date of the AGM, although these financial derivatives remain “in the money”. However, with the appreciation of Euro, the value of the Group’s European assets has appreciated.</p>
(c)	<p>Following up on the response to question (b) above, the shareholder queried on the rationale for entering into the Euro denominated financial derivatives and not borrowing in Euro as a natural hedge.</p>	<p>NTP reiterated that Management adopts a combination of risk mitigation strategies. In addition to the Euro denominated financial derivatives, the Group currently has bank borrowings in Euro. In deciding on which strategy to adopt, Management would monitor the market situation and would seek to achieve a balance.</p> <p>NTP pointed out that the decision to borrow in Euro depends on cost and availability. NTP highlighted that the interest rate imposed by Singapore banks for borrowings in Euro is based on their cost of funds rather than Euribor, resulting in the imposition of a higher interest rate, compared to financial derivatives where the cost of funds is based on Euribor. NTP also noted that the Group’s debt headroom would decrease if it incurs borrowings in Euros from certain banks as they require the Group to set aside a 10% buffer against adverse foreign exchange fluctuation. This means that if the Group were to borrow in Euro from such banks, the Group may only borrow Euros of an amount equivalent to up to S\$90 million out of a S\$100 million facility. The Company would also have paid an upfront fee based on a S\$100 million facility of which S\$10 million cannot be utilised.</p> <p>In view of the above, Management decided to enter into Euro denominated financial derivatives.</p>
(d)	<p>Following up on the response to question (c) above, the Shareholder asked if the fair value gain has boosted the net profit of the Group.</p> <p>The Shareholder also expressed his concern on mark to market losses which he is of the view created the liquidity problem for US banks in the US banking crisis, and asked if, in terms of financial derivatives, the Company has any risk management plan in place in</p>	<p>NTP stated that, to a certain extent, the reported net profit of the Company was boosted by the fair value gain. However, NTP pointed out that the Group’s reported net profit was also impacted by non-cash impairment loss such as impairment loss on goodwill, property, plant and equipment and loans to third parties, and that the non-cash impairment of assets was very close to the fair value gain on the financial derivatives. Please refer to Note 27 of the Financial Statements for further details on some of the above items and the Company’s 4Q2022 investor presentation for further details on the non-cash impairment charge.</p> <p>With regard to the Shareholder’s concern about the risk of mark to market losses, NTP responded that this was a risk that</p>

	<p>view of the banking crisis and geopolitical tensions.</p>	<p>Management would have to manage in the current volatile and uncertain market.</p> <p>NTP also added that “whatever goes up must come down”. NTP noted that PRC development profit is recognized on a completed contract basis. As such, there is a time lag between pre-sale and profit recognition, which means that even if the Group enjoys strong sales and generates cash in a particular year, the profit will be recognised on handover at a later time.</p> <p>The Company’s hedging of its exposure to the various foreign currencies has been disclosed in its previous results announcements. Some years ago before the outbreak of Covid-19, the Group did not hedge its RMB exposure. As the significant depreciation of RMB would have a material adverse impact on the Group, Management started to look at hedging the Group’s RMB exposure and, as at the date of the AGM, the Group’s RMB exposure is over 30% hedged.</p>
(e)	<p>A Shareholder noted that based on the Chairman's Statement, Humen Time Zone and Humen Oasis Mansion projects are doing well, but the sales response to the latest launch of Humen Central Mansion was a bit slower than usual. The Shareholder queried about the reasons for the weak sales of Humen Central Mansion and other launches planned for FY2023.</p>	<p>NTP explained that the sales response to Humen Central Mansion has been slow compared to Humen Time Zone and Humen Oasis Mansion due to the high selling price of Humen Central Mansion. NTP said that the high selling price for Humen Central Mansion was set by the Group’s key partner in the project which has the final say on the selling price as it holds a controlling stake in the project. The key partner has set a high selling price as Humen Central Mansion is a very premium project with quality finishing and the key partner has high expectations of the project. NTP said that, generally, China's real estate market sentiment has improved significantly. NTP said that the Group’s China projects are selling normally and the outlook is positive although sales are not as strong as before.</p> <p>With regard to launches planned for FY2023, NTP responded that FY2022 was a record investment year for the Group, with the acquisition of four new development projects in China at a cost of S\$656 million, and that one of these projects, The Brilliance, which is a wholly-owned project of the Group, was launched over the weekend prior to the AGM, and the key selling period would be the May Day holidays. One of the remaining 3 projects, which is located in Dalingshan, would be launched during the May Day holidays.</p>
(f)	<p>A Shareholder fed back that the issue of the Warrants (2020) which have an exercise price of \$1.08 per share was quite dilutive to the Warrants (2019) which have an exercise price of S\$1.30 per share. The Shareholder asked that the Company adjusts the exercise price of existing warrants should it wish to issue new warrants in the future.</p>	<p>NTP said that the warrants are an avenue for the Company’s key shareholders to inject liquidity into the Company on short notice. The rationale for issuing the Warrants (2019) was to provide the Company with the financial flexibility to fund its expansion plans and the rationale for issuing Warrants (2020) was to, <i>inter alia</i>, reward shareholders for their continuing support for and participation in the Company. In determining the exercise price of the Warrants (2020), Management also took into account the potential need for additional funding from its key shareholders in light of the Covid-19 outbreak, although this has not been tapped on yet.</p> <p>NTP assured Shareholders that the Company will bear in mind the dilutive effect to existing warrants in any future issues of new warrants. However, as the Board has to take into account various factors in determining the terms of any capital raising exercise, it may not be able to please everybody. NTP also pointed that</p>

		adjustments to the exercise price of warrants are set out in the relevant warrant deed polls which terms are binding on the Company.
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