

RESPONSE TO SGX-ST'S QUERY REGARDING THE BREAKDOWN ON USE OF PROCEEDS FOR WORKING CAPITAL FROM PLACEMENT COMPLETED ON 19 MARCH 2014

Unless otherwise defined, all terms used or referred to in this announcement have the meanings as assigned to them in the announcements made by the Company on 19 March 2014 relating to the completion of the placement and 29 December 2015 relating to the utilisation of placement proceeds.

In response to the e-mail query received from the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Board of Directors of the Company provides the information as set out below:

QUERY

We refer to the Company's announcement on 29 Dec 2015 on the utilization of placement proceeds. Pursuant to our approval in-principle letter for the placement, please disclose via SGXNET a breakdown with specific details on the use of proceeds for working capital in the Company's announcement. Please note that the Company will also have to disclose likewise the breakdown for working capital in the Company's annual report.

RESPONSE

Please find below the breakdown on the use of proceeds from the placement for working capital purposes of Pavillon Financial Leasing Co., Ltd.

| USE OF PROCEEDS | AMOUNT |
|--|--|
| September to December 2015 operating expenses (RMB 300,000 x 4) | S\$259,000 (equivalent to RMB1,200,000) |
| Purchase of equipment for lease contract no: 2201511DL00302 | S\$1,186,00 (equivalent to RMB5,497,200) |
| Purchase of equipment for lease contract no: 2201511DL00402 | S\$407,000 (equivalent to RMB1,885,685) |
| Total fund utilisation | S\$1,852,000 (equivalent to RMB8,582,885) |

By Order of the Board

Dr John Chen Seow Phun
Executive Chairman

Date: 5 January 2016