

PAVILLON HOLDINGS LTD.
(Company Registration No. 199905141N)
(Incorporated in the Republic of Singapore)
(the "Company")

MINUTES OF THE ANNUAL GENERAL MEETING HELD AT THAI VILLAGE RESTAURANT, 2 STADIUM WALK, #01-02/03 SINGAPORE INDOOR STADIUM, SINGAPORE 297691 ON THURSDAY, 27 APRIL 2023 AT 3:00 P.M.

PRESENT

Directors

Dr John Chen Seow Phun (Executive Chairman)
Mr Ding Furu (Non-Executive Non-Independent Director) – in attendance via electronic means
Mr Francis Lee Fook Wah (Lead Independent Director)
Mr Kong Weili (Independent Director)
Mr Fan Bin (Non-Executive Non-Independent Director)

In attendance

Mr Kok Nyong Patt (Chief Operating Officer)
Mr Calvin Loh (Financial Controller)
Mr Maxtein Oh (Group General Manager)
Ms Chan Lai Yin (Company Secretary)
Ms Lora Leong (Tricor Singapore Pte. Ltd.)
Ms Teoh Ai Wei (CLA Global TS Public Accounting Corporation)
Mr Robert Tan (Tricor Barbinder Share Registration Services)

Shareholders

As per the registration on Convene system by Trusted Services

CHAIRMAN

Dr John Chen Seow Phun presided as Chairman of the Annual General Meeting (the "AGM" or "Meeting"). The Chairman introduced members of the Board and management who were present physically at the AGM except Mr Ding Furu who attended the AGM via electronic means. He proceeded to introduce the Company Secretary, Ms Chan Lai Yin and Representative from CLA Global TS Public Accounting Corporation who were present at the AGM.

QUORUM

It was noted that a quorum was present and the Chairman called the meeting to order.

NOTICE CONVENING THE MEETING

The Notice convening the Meeting, having been in the hands of members for the requisite period was, with the concurrence of the Meeting, taken as read.

POLL VOTING

The Chairman informed that he had exercised his right as Chairman of the meeting and demanded for all resolutions tabled at the AGM to be voted by poll. The Company has appointed Entrust Advisory Pte. Ltd. ("Entrust") as scrutineer for the AGM. Votes of valid proxy forms have been counted by the poll counting agent and verified by the scrutineer.

The Chairman confirmed he had voted in accordance with the respective instructions of shareholders to vote for or against or abstain from voting on the resolutions tabled at the AGM after shareholders have appointed the Chairman as proxy, which the proxy forms had been checked and verified by the scrutineer.

The Company had published its response to substantial and relevant questions submitted in advance by shareholders via SGXNET on 21 April 2023. It was noted there was no question received by the Company after 3.00 p.m. on 20 April 2023.

After shareholders watched the video instruction for live voting in real time via the Convene platform, the Chairman briefed on the procedure for the conduct of the meeting. Shareholders would be given time to submit voting in real time after all questions and replies were made at the AGM.

AS ORDINARY BUSINESS

1. ORDINARY RESOLUTION 1

- **ADOPTION OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH DIRECTORS' STATEMENT AND INDEPENDENT AUDITORS' REPORT THEREON**

The Chairman proposed the motion:

"That the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Directors' Statement and Independent Auditors' Report be hereby received and adopted."

The motion was seconded by Mr Tay Tiow Boon.

Questions raised by shareholders and replies during the AGM relating to Resolution 1 are set out in the "Appendix A" annexed to these minutes.

2. ORDINARY RESOLUTION 2

- **APPROVAL OF DIRECTORS' FEES FOR FINANCIAL YEAR ENDING 31 DECEMBER 2023**

The Chairman informed shareholders that the Board had recommended the payment of S\$120,000 as directors' fees for the financial year ending 31 December 2023, with payment to be made in arrears.

The Chairman proposed the motion:

"That the payment of Directors' fees of S\$120,000 for the financial year ending 31 December 2023 be approved with payment to be made in arrears."

The motion was seconded by Mr Tay Tiow Boon.

Questions raised by shareholders and replies during the AGM relating to Resolution 2 are set out in the "Appendix A" annexed to these minutes.

3. ORDINARY RESOLUTION 3

- **RE-ELECTION OF MR FRANCIS LEE FOOK WAH AS A DIRECTOR OF THE COMPANY**

The Chairman informed shareholders present that in accordance with Article 117 of the Company's Constitution, Mr Francis Lee Fook Wah, would retire at the AGM and being eligible, offered himself for re-election. Mr Francis Lee Fook Wah has consented to continue in office.

The Chairman informed shareholders that Mr Francis Lee Fook Wah, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, Chairman of the Nominating Committee and Remuneration Committee and a member of Audit and Risk

Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual.

The Chairman proposed the motion:

“That Mr Francis Lee Fook Wah be re-elected as a Director of the Company.”

The motion was duly seconded by Mr Oh Kok Thai.

4. ORDINARY RESOLUTION 4

- RE-ELECTION OF MR KONG WEILI AS A DIRECTOR OF THE COMPANY

The Chairman informed shareholders present that in accordance with Article 117 of the Company's Constitution, Mr Kong Weili, would retire at the AGM and being eligible, offered himself for re-election. Mr Kong Weili has consented to continue in office.

The Chairman informed shareholders that Mr Kong Weili, upon his re-election as a Director of the Company, remain as the Independent Director of the Company, Chairman of the Audit and Risk Committee and a member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual.

The Chairman proposed the motion:

“That Mr Kong Weili be re-elected as a Director of the Company.”

The motion was duly seconded by Mr Oh Kok Thai.

5. ORDINARY RESOLUTION 5

- RE-ELECTION OF MR FAN BIN AS A DIRECTOR OF THE COMPANY

The Chairman informed shareholders present that in accordance with Article 117 of the Company's Constitution, Mr Fan Bin would retire at the AGM and being eligible, offered himself for re-election. Mr Fan Bin has consented to continue in office.

Mr Fan Bin would, upon his re-election as a Director of the Company, remain as Non-Executive Non-Independent Director of the Company and a member of the Audit and Risk Committee.

The Chairman proposed the motion:

“That Mr Fan Bin be re-elected as a Director of the Company.”

The motion was duly seconded by Mr Oh Kok Thai.

6. ORDINARY RESOLUTION 6

- RE-ELECTION OF MR DING FURU AS A DIRECTOR OF THE COMPANY

The Chairman informed shareholders present that in accordance with Article 117 of the Company's Constitution, Mr Ding Furu would retire at the AGM and being eligible, offered himself for re-election. Mr Ding Furu has consented to continue in office.

Mr Ding Furu would, upon his re-election as a Director of the Company, remain as Non-Executive Non-Independent Director of the Company and a member of the Nominating Committee and Remuneration Committee.

The Chairman proposed the motion:

“That Mr Ding Furu be re-elected as a Director of the Company.”

The motion was duly seconded by Mr Oh Kok Thai.

7. ORDINARY RESOLUTION 7

- RE-APPOINTMENT OF MESSRS CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION AS AUDITORS OF THE COMPANY AND TO AUTHORISE DIRECTORS OF THE COMPANY TO FIX THEIR REMUNERATION

The Chairman informed shareholders present that Messrs CLA Global TS Public Accounting Corporation had expressed their willingness to accept re-appointment as auditors of the Company.

The Chairman proposed the motion:

“That Messrs CLA Global TS Public Accounting Corporation be re-appointed as Auditors of the Company and the Directors be authorised to fix their remuneration.”

The motion was duly seconded by Mr Tay Tiow Boon.

Questions raised by shareholders and replies during the AGM relating to Resolution 7 are set out in the “Appendix A” annexed to these minutes.

8. ANY OTHER ORDINARY BUSINESS

As no notice of any other ordinary business to be transacted at the Meeting had been received, the Meeting proceeded to deal with the special business of the AGM.

AS SPECIAL BUSINESS

9. ORDINARY RESOLUTION 8

- AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman proposed and Mr Tay Tiow Boon seconded the motion for Resolution 8 as set out below:

“That pursuant to Section 161 of the Companies Act 1967 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital 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 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 50 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with 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 20 per cent of the total

number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);

- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company 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 are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.

- (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 Constitution for the time being of the Company; and

(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 the earlier.”

Questions raised by shareholders and replies during the AGM relating to Resolution 8 are set out in the “Appendix A” annexed to these minutes.

After dealing with questions at the meeting, shareholders were given appropriate time to submit voting in real time.

POLL RESULTS

After a recess for the vote to be counted and verified, the Chairman announced the poll results (percentage rounded to the nearest two decimal places) on each resolution. The results of the poll are as follows:

For Resolution 1 relating to the Directors’ Statements and Audited Financial Statements for the financial year ended 31 December 2022, 1,258,180,511 ordinary shares representing 100% voted ‘For’ the Resolution and 1,000 ordinary shares voted “Against” the Resolution. The Chairman declared Resolution 1 carried.

For Resolution 2 relating to the Directors’ fees for financial ending 31 December 2023, 1,258,030,511 ordinary shares representing 100% voted ‘For’ the Resolution and 1,000 ordinary shares voted “Against” the Resolution. The Chairman declared Resolution 2 carried.

For Resolution 3 relating to the Re-election of Mr Francis Lee Fook Wah as a Director of the Company, 1,258,030,511 ordinary shares representing 99.99% voted ‘For’ the Resolution and 151,000 ordinary shares voted “Against” the Resolution. The Chairman declared Resolution 3 carried.

For Resolution 4 relating to the Re-election of Mr Kong Weili as a Director of the Company, 1,258,030,511 ordinary shares representing 99.99% voted ‘For’ the Resolution and 151,000 ordinary

shares voted "Against" the Resolution. The Chairman declared Resolution 4 carried.

For Resolution 5 relating to the Re-election of Mr Fan Bin as a Director of the Company, 1,258,030,511 ordinary shares representing 99.99% voted 'For' the Resolution and 151,000 ordinary shares voted "Against" the Resolution. The Chairman declared Resolution 5 carried.

For Resolution 6 relating to the Re-election of Mr Ding Furu as a Director of the Company, 1,258,030,511 ordinary shares representing 99.99% voted 'For' the Resolution and 151,000 ordinary shares voted "Against" the Resolution. The Chairman declared Resolution 6 carried.

For Resolution 7 relating to the Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors of the Company and to authorise Directors to fix their remuneration, 1,258,031,511 ordinary shares representing 100% voted 'For' the Resolution. The Chairman declared Resolution 7 carried.

For Resolution 8 relating to the Authority to allot and issue shares, 1,258,030,511 ordinary shares representing 100% voted 'For' the Resolution. The Chairman declared Resolution 8 carried.

CONCLUSION

There being no further business, the Chairman thanked the shareholders for their attendance and declared the AGM closed at 4:07 p.m..

SIGNED AS A TRUE RECORD OF THE PROCEEDINGS

Dr John Chen Seow Phun
Chairman

PAVILLON HOLDINGS LTD.
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Q & A SESSION AT THE ANNUAL GENERAL MEETING OF PAVILLON HOLDINGS LTD. HELD AT THAI VILLAGE RESTAURANT, 2 STADIUM WALK, #01-02/03 SINGAPORE INDOOR STADIUM, SINGAPORE 397691 ON THURSDAY, 27 APRIL 2023 AT 3.00 P.M.

Resolution 1 – Directors’ Statements and Audited Financial Statements for the financial year ended 31 December 2022

Question 1:	Referring to page 18 of the FY2022 Annual Report on the equity method of accounting for investment in associated company, Fengchi IOT Management Co., Ltd. (“Fengchi IOT”), Fengchi IOT would record net loss of S\$5,484,000 for the financial year ended 31 December 2022, if fair value gain on investment properties amounted to S\$17,193,000 was excluded. Can understand what happened in relation to these losses without fair value gain?
Reply: (Financial Controller)	Fengchi IOT started operations in January 2021 in the midst of COVID-19. Despite efforts to market Fengchi IOT, result was poor in its first year of operations, FY2022 was better but still not able to reach breakeven in terms of rental capacity. Fengchi IOT will strive to attract more tenants and capture a bigger slice of market share in FY2023.
Question 2:	Understand from the announcement on the reduction of utilisation capacity on the occupancy for the warehouse from 57.84% (end of FY2022) to 41.9% in February 2023, would this reduction of utilisation capacity and lack of rental income cause a fair value drop in the investment properties?
Reply: (Financial Controller)	From accounting point of view in terms of fair value, factors affecting the valuation of properties are: 1. Utilisation of warehouse – capacity and unit rate 2. Surrounding cost of property – With China’s economy opening up, overall economy is expected to rebound which would take time to recover, likewise for IOT. We are anticipating that things would be better subsequently despite some setback in Q1. In logistics or warehouse businesses, tenancy will not occur the whole year. Hope Fengchi IOT can ramp up rental capacity and maintain valuation.
Question 3:	Referring to page 88 of the FY2022 Annual Report. Can understand what was causing “All other segments” to have such high expense as much as S\$5.967- million?
Reply: (Financial Controller)	“All other segments” comprised mainly the corporate office, i.e. head office costs, and a exchange loss of S\$4 million.
Question 4:	On the same page 88 of the FY2022 Annual Report on food and beverages, segment profit margin in 2022 was 23%. Given the current high inflation rate , food costs going up and staff costs going up, how will profit margin be impacted?
Reply: (Financial Controller)	The Group experienced prices of raw materials and salaries increasing. To counter the effect, food prices in the menu increased recently effective April 2023. We hope this will address inflation while maintaining profitability.

Question 5:	Referring to page 53 of the FY2022 Annual Report. How was the recovery process for the amount due from a non-related parties amounting to S\$6.698 million? So far, how much has been recovered?
Reply: (Financial Controller)	The amount due from a non-related parties was treated as bad debt. Legal procedure to claim for payment has commenced in China. Due to COVID-19, the legal process in China had been delayed from 2020 till now. As of now, the debtors are under liquidation. The Company has appointed a legal advisor in China to assist in recovering bad debt with the hope of securing some payment. The Company's claim for payment is in the hands of the debtor's liquidator. We have quarterly catch-up with the liquidator. As far as we know, liquidator is working to liquidate the properties. We will follow up closely and do our best to recover as much as possible. We are unable to provide the amount at this moment. In the Company's books, this amount has been written off.
Question 6:	Referring to page 80 of the FY2022 Annual Report. How was the recovery process for finance lease receivables for S\$8.531 million?
Reply: (Financial Controller)	Same as the amount due from a non-related parties. Please refer to our earlier reply.
Question 7:	Referring to page 73 of the FY2022 Annual Report. How would the Board fulfill the commitments totaling S\$110 million arising from capital commitment in relations to capital injection into investments in PRC?
Reply: (Financial Controller)	First option, we plan to reduce the registered share capital in one of the China subsidiary in 2023 so as to reduce capital commitment. For your information, we had reduced registered share capital in one of our China subsidiaries last year from US\$30 million to US\$6 million. Second option is to use internal funds or secure third party investors to invest in our subsidiary. This option will be exercised on a need basis. Currently, there is no plan to increase the paid-up share capital. The Company has no need to do so.
Question 8:	Assuming the occupancy rate for Fengchi IOT remain weak, would there be a chance for the bank to request the Company to increase the paid-up share capital in Fengchi IOT?
Reply: (Financial Controller)	For your information, Fengchi IOT did not have any bank loan currently. The Company has secured third party loans to settle the bank loans.
Question 9:	Referring to page 54 of the FY2022 Annual Report stating that the loan to an associated company at an interest rate of 5% per annum and will be repayable in full by 12 August 2025. Have auditors done the recovery test? How confident is the Company for the associated company to repay S\$39 million by 12 August 2025? Is the financial of this associated company strong enough to repay the Company? What is the action to increase occupancy or diversify tenants or change warehouse specification? If the Company receive this repayment of S\$39 million in 2025, will we have a special dividend? From now to 2025, can the Company assure the shareholders that we will not receive any bad debts surprise?
Reply: (Financial Controller)	S\$39 million was extended to our associated company, Fengchi IOT. Based on independent market valuation, Fengchi IOT is worth more than RMB600 million (which is equivalent to S\$120 million). While the Company is unable to guarantee that there will not be any bad debt, it is monitoring loan repayment by Fengchi IOT which is valued at more than S\$120 million. Currently, Pavillon holds 49% equity interest in Fengchi IOT. Management will continue to monitor the progress of Fengchi IOT as the Company is

	actively involved in the management of this associated company to improve tenancy. Management will consider distributing dividend when the Company turns profitable and has sufficient cashflow. The Company does not have a dividend policy. Shareholders' feedback will be forwarded to the Board.
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Resolution 2 – Directors' Fees for financial year ending 31 December 2023

Question 10: Reply: (Chairman)	How come the directors' fees were low with decrease of S\$15K in the directors' fees? There is no need for additional Independent Directors because the Company has 2 Independent Directors in Singapore to fulfill the compliance requirements so long as there is no modified opinion or audit qualification in the audited financial statements. Independent Directors and Non-Executive Non-Independent Directors agreed to reduce directors' fee due to the current financial situation of the Group. I do not receive a director's fee as an Executive Director. The Board of Directors agreed to tighten our belt after restructuring the board and the onboarding of the new controlling shareholder. We would like to extend our appreciation to them for their sacrifice.
Question 11: Reply: (Chairman)	How much is the valuation gain of the property? In 2021, the valuation was very low as the property was poorly occupied. In 2022, the occupancy rate was about 50%. The independent valuation increased to about RMB600 million for the property.
Question 12: Reply: (Financial Controller)	What valuation approach does the valuers use? Income or market approach? The Company has appointed Robert Khan & Co Pte Ltd as independent valuer since 2019. The valuer has used income approach to determine the fair value of the property. Please refer to Page 46 of the FY2022 Annual Report.
Question 13: Reply: (Chairman)	Is the Company going to sell this logistic hub? Is the market value higher than its costs? The investment in Fengchi IOT is more than RMB600 million. Currently, our valuation price is still below our actual investments in this property. At the moment, we have no intention to sell the property.
Question 14: Reply: (Chairman)	Any comparable property on the market? There was no comparable property in the market.

Resolution 7 – Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors of the Company and authorise Directors to fix their remuneration

Question 15: Reply: (Chairman)	Will CLA Global TS Public Accounting Corporation increase their audit fees? Please ask them not to increase for these 1 or 2 years until the Company is more profitable. We have duly received your feedback and will negotiate with the auditors.
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Resolution 8 – Authority to allot and issue shares

Question 16:	Is there any plan to invite more strategic investors? Or will New Development Hotel Management Pte. Ltd. be the substantial shareholder for the next 2 to 3 years? Will New Development Hotel Management Pte. Ltd. make an exit offer in the next few years? Currently, the share price is low. Hope there is no issue of new shares.
Reply: (Chairman)	Firstly, we cannot speak on behalf of the substantial shareholder, New Development Hotel Management Pte. Ltd.. The Board would make decision in the best interests of the Company. Save for instance, if there is a good project that require funds, the Company shall raise funds either from the bank or strategic investors. The authority to allot and issue shares is a general mandate from shareholders in the event additional fund is required. Currently, there is no plan to issue new shares.