CIRCULAR DATED 23 JULY 2025

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, STOCKBROKER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Circular is issued by Pavillon Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**"). Capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (the "**CDP**"), you need not forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS
in relation to:

(I) THE PROPOSED RATIFICATION OF THE DISPOSAL OF SHARES IN LINGBAO GOLD GROUP CO LTD (THE "PROPOSED RATIFICATION"); AND

(II) THE PROPOSED AMENDMENTS TO THE LOAN AGREEMENT BETWEEN 丰驰物联网管理有限公司 FENGCHI IOT MANAGEMENT CO., LTD. ("FENGCHI IOT") AND THE COMPANY (THE "FENGCHI IOT LOAN") AS AN INTERESTED PERSON TRANSACTION (THE "PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT")

Independent Financial Adviser
in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT

NOVUS
CORPORATE FINANCE

NOVUS CORPORATE FINANCE PTE. LTD.

(Company Registration No. 201723484W)
(Incorporated in the Republic of Singapore)

Important Dates and Times

Last date and time for lodgement of Proxy Form	:	4 August 2025 at 9.00 a.m.
Date and time of Extraordinary General Meeting	:	7 August 2025 at 9.00 a.m.
Place of Extraordinary General Meeting	:	Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691

TABLE OF CONTENTS

DEFINITIONS 1
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS 8
LETTER TO SHAREHOLDERS 9
1. INTRODUCTION 9
2. THE PROPOSED RATIFICATION 10
3. THE PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT 15
4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY 30
5. ABSTENTION FROM VOTING 31
6. DIRECTORS' RECOMMENDATIONS 32
7. EXTRAORDINARY GENERAL MEETING 32
8. ACTION TO BE TAKEN BY SHAREHOLDERS 32
9. DIRECTORS' RESPONSIBILITY STATEMENT 34
10. DOCUMENTS FOR INSPECTION 34
APPENDIX – IFA LETTER A-1
NOTICE OF EXTRAORDINARY GENERAL MEETING N-1
PROXY FORM P-1

In this Circular, the following definitions apply throughout except where the context otherwise requires:

"**2024 New Development Loan**"	:	The loan provided to Fengchi IOT by New Development as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**Agreed Exchange Rate**"	:	The exchange rate of S$1.00 to RMB 4.6581, based on the exchange rate published by The People's Bank of China on 4 March 2022, which was agreed to be used by both the Company and New Development, as further described in the Subscription Circular
"**Amended Fengchi IOT Loan**"	:	The amended Fengchi IOT Loan pursuant to the terms of the Fengchi IOT Loan Agreement and as amended by the Supplemental Agreement
"**AR2024**" ""	:	The Company's annual report for the financial year ended 31 December 2024
"**associate**"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:- (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more, (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"**associated company**"	:	A company in which at least 20.0% but not more than 50.0% of its shares are held by the Company or the Group
"**Audit and Risk Committee**"	:	The audit and risk committee of the Company as at the Latest Practicable Date, comprising Mr. Kong WeiLi as chairman and Mr. Francis Lee Fook Wah and Mr. Ding as members
"**Bank Loan**"	:	The bank loan as secured by Fengchi IOT in December 2019 for the construction of the Tianjin Logistics Hub, as further described in the Subscription Circular
"**Board**"	:	The board of Directors of the Company
"**Business Day**"	:	A day on which the SGX-ST is open for trading

"**CDP**"	:	The Central Depository (Pte) Limited
"**Chairman of the Meeting**"	:	A Director of the Board, who shall be the appointed chairman of the EGM
"**Circular**"	:	This circular to Shareholders dated 23 July 2025
"**Companies Act**"	:	The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time
"**Company**"	:	Pavillon Holdings Ltd. (Company Registration No. 199905141N) having its registered office at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409
"**Constitution**"	:	The constitution of the Company, as amended or modified from time to time
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"**CPF Agent Banks**"	:	Banks approved by CPF to be their agent banks
"**CPF Investors**"	:	Investors who hold shares under the Central Provident Fund Investment Scheme
"**CPF**"	:	Central Provident Fund of Singapore
"**Daju Logistics**"	:	达聚物流（天津）有限公司 (Daju Logistics (Tianjin) Co., Ltd), a joint venture between the Company (49.0%) through Pavillon Business Development and Mr. Ding (51.0%) through Liuyu
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date, and each a "**Director**"
"**Disposal**"	:	The disposals of the Disposal Shares by the Company, as described in section 2 (*The Proposed Ratification*) of this Circular
"**Disposal Announcements**"	:	The announcements made by the Company on SGXNet on 16 May 2025 and 26 May 2025 in relation to the Disposal
"**Disposal Price**"	:	Shall have the meaning ascribed to it in section 2.1 (*Information on the Disposal*) of this Circular
"**Disposal Shares**"	:	The 8,046,000 shares in Lingbao
"**EGM**" or "**Extraordinary General Meeting**"	:	The extraordinary general meeting of the Company to be held at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691 on 7 August 2025 at 9.00 a.m./p.m., notice of which is set out in pages N-1 to N-4 of this Circular

"**EPS**"	:	Earnings per Share
"**Existing PRC Mortgage Lease**"	:	The second third party financing as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**Fengchi IOT Loan Agreement**"	:	The loan agreement entered into between Fengchi IOT and the Company on 8 August 2022 for the Fengchi IOT Loan
"**Fengchi IOT Loan**"	:	The existing loan provided to Fengchi IOT by the Company for the principal amount of RMB 200 million with an interest rate of five per cent. (5.0%) per annum, for a tenure of 36 months from August 2022. As at the Latest Practicable Date, the Fengchi IOT Loan is fully drawn down
"**Fengchi IOT**"	:	丰驰物联网管理有限公司 (Fengchi IOT Management Co., Ltd.), a joint venture between the Company (49.0%) through Tianjin Lanting and Mr. Ding (51.0%) through Liuyu
"**First 3P Financing**"	:	The first third party financing as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**FY**"	:	Financial year ended 31 December
"**Group**"	:	The Company and its subsidiaries
"**IFA Letter**"	:	The letter dated 23 July 2025 from the IFA to the Non-Interested Directors in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT, as reproduced and appended in its entirety as the **Appendix** (*IFA Letter*) to this Circular
"**IFA**" or "**Independent Financial Adviser**"	:	Novus Corporate Finance Pte. Ltd., the independent financial adviser appointed pursuant to Rule 921(4)(a) of the Listing Manual in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT
"**Independent Shareholders**"	:	The Shareholders who are deemed to be independent for the purposes of the Proposed Amendments to the Fengchi IOT Loan as an IPT, being the Shareholders other than New Development, Mr. Ding and their respective associates
"**Interest**"	:	Shall have the meaning ascribed to it in section 3.3 (*Key terms of the Amended Fengchi IOT Loan*) of this Circular
"**Interest Payment Date**"	:	Shall have the meaning ascribed to it in section 3.3 (*Key terms of the Amended Fengchi IOT Loan*) of this Circular
"**IPT**"	:	Interested person transaction, as defined under Chapter 9 of the Listing Manual
"**Last Disposal Date**"	:	6 June 2025, being the last trading day on which the Disposal was undertaken for the Disposal Shares
"**Latest Practicable Date**"	:	15 July 2025, being the latest practicable date prior to the

		finalisation and release of this Circular
"**Lease**"	:	The lease between Daju Logistics as the tenant and Fengchi IOT as the landlord, which was renewed for another term of one (1) year of RMB 390,000 per month with effect from 1 November 2024
"**Lingbao**"	:	Lingbao Gold Group Co Ltd, a public listed company on the Hong Kong Stock Exchange
"**Listing Manual**"	:	The rules of the listing manual of the SGX-ST applicable to an entity listed on the Mainboard, as amended, modified or supplemented from time to time
"**Liuyu**"	:	上海六渝信息科技有限公司 (Shanghai Liuyu Information Technology Co., Ltd), a company where Mr. Ding is the 100.0% ultimate beneficial shareholder
"**Liuyu Loan**"	:	The loan provided to Fengchi IOT by Liuyu as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**Liuyu Loan Advances**"	:	The loan advances provided to Fengchi IOT by Liuyu as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**Mainboard**"	:	The Mainboard of the SGX-ST
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Mr. Ding**"	:	Mr. Ding Furu (丁福如), a non-executive non-independent Director
"**New Development**"	:	New Development Hotel Management Pte. Ltd. (a company where Mr. Ding is the sole director and shareholder), which has a shareholding interest of 72.98% in the Company as at the Latest Practicable Date
"**New Development Share Subscription**"	:	The subscription by New Development of 1,047,218,560 Shares in two (2) tranches on 12 August 2022 and 20 October 2022, as further described in the Subscription Circular
"**Non-Interested Directors**"	:	The Directors who are considered independent for the purposes of making a recommendation to the Shareholders on the Proposed Amendments to the Fengchi IOT Loan as an IPT, being Mr. Francis Lee Fook Wah and Mr. Kong WeiLi as at the Latest Practicable Date
"**Notice of EGM**"	:	The notice of the EGM which is set out in pages N-1 to N-4 of this Circular
"**NTA**"	:	Net tangible assets
"**Ordinary Resolution**"	:	An ordinary resolution proposed for approval in this Circular
"**Pavillon Business**		Pavillon Business Development (Shanghai) Co., Ltd. (兰亭商

Development"		业发展（上海）有限公司), a wholly-owned subsidiary of the Company
"**PRC**" or "**China**"	:	People's Republic of China
"**Property Related Assets**"	:	The various types of real estate, including but not limited to, residential, hospitality, commercial (retail and office), educational, healthcare, industrial and any other types of properties
"**Proposals**"	:	The Proposed Ratification and the Proposed Amendments to the Fengchi IOT Loan as an IPT
"**Proposed Amendments to the Fengchi IOT Loan as an IPT**"	:	The proposed amendments to the Fengchi IOT Loan as an interested person transaction, as further described in section 3 (*The Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**Proposed Ratification**"	:	The proposed ratification of the Disposal, as further described in section 2 (*The Proposed Ratification*) of this Circular
"**Proxy Form**"	:	The proxy form in respect of the EGM which is set out in pages P-1 to P-3 of this Circular
"**Register of Members**"	:	The register of members of the Company
"**Registrar**"	:	The Registrar of Companies
"**Request Form**"	:	The request form for Shareholders to request for a printed copy of this Circular
"**Second 3P Financing**"	:	The second third party financing as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
"**Securities and Futures Act**"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"**SGXNet**"	:	A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
"**SGX-ST**"	:	The Singapore Exchange Securities Trading Limited
"**Share Registrar**"	:	The share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.)
"**Shareholders**"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the Depositors whose Securities Accounts maintained are credited with Shares
"**Shareholder Undertaking**"	:	The deed of undertaking provided by New Development as

		described in section 2.8 (*Shareholder Undertaking*) of this Circular
"**Shares**"	:	Ordinary shares in the share capital of the Company
"**Short-Term Financing Loan**"	:	The short-term financing loan as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**SRS Investors**"	:	Investors who hold shares under the Supplementary Retirement Scheme
"**SRS Operators**"	:	Agent banks approved by CPF under the Supplementary Retirement Scheme
"**Subscription Circular**"	:	The circular dated 21 July 2022 in relation to, among others, the subscription of Shares by New Development.
"**Substantial Shareholder**"	:	A Shareholder who has an interest in not less than 5.0% of the issued shares excluding treasury shares and subsidiary holdings in the Company
"**Supplemental Agreement**"	:	The proposed supplemental agreement to be entered into between the Company and Fengchi IOT for the amendment of the Fengchi IOT Loan
"**Tianjin Lanting**"	:	天津兰亭企业管理有限公司(Tianjin Lanting Enterprise Management Co., Ltd. (formerly known as Tianjin Pavillon Assets Management Co., Ltd.)), a wholly-owned subsidiary of the Company
"**Tianjin Logistics Hub**"	:	A multi-storey bonded warehouse, automotive warehouse showroom, automotive financial services centre and logistics network management centre with a total area of approximately 172,000 sqm (comprising an office building of approximately 21,000 sqm, an exhibition area of approximately 19,000 sqm and a warehouse area of approximately 132,000 sqm), in Dongjiang Port Area in Tianjin, PRC (approximately 50 km from the central of Tianjin city central)
"**Tianjin Yixing**"	:	天津驿星智洗技术有限公司 (Tianjin Yixing Intelligent Washing Technology Co., Ltd., being a wholly-owned subsidiary of 天津兰亭租赁有限公司 (Tianjin Lanting Leasing Co., Ltd.), of which the Company holds a 75.98% shareholding interest
"**Tianjin Yixing Loan**"	:	The loan provided to Fengchi IOT by Tianjin Yixing as described in section 3.1 (*Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular
"**Use of the New Development Share Subscription Proceeds**"	:	The use of proceeds from the New Development Share Subscription, as further described in the Subscription Circular
"**Waiver**"	:	The waiver of the requirement under Rule 1014(2) of the Listing Manual for the Disposal as described in section 2.7 (*Waiver Application*) of this Circular

"**Waiver Conditions**"	:	The conditions subject to which the SGX-ST has advised that it had no objection to the Company's application for the Waiver
Currencies, Units and Others		
"**%**" or "**per cent.**"	:	Per centum or percentage
"**HK$**"	:	Hong Kong dollars, the lawful currency of Hong Kong, SAR
"**RMB**"	:	*renminbi*, the lawful currency of the PRC
"**S$**", and "**cents**"	:	Singapore dollars and cents respectively, the lawful currency of Singapore

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the respective meanings ascribed to them in section 81SF of the Securities and Futures Act and the terms "**subsidiary**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the Securities and Futures Act, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to "**Rule**" is a reference to the relevant rule in the Listing Manual as for the time being, unless otherwise stated.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Companies incorporated in the PRC do not have official English names and the English names indicated next to the Chinese names are translated by the Company for reference only.

Unless otherwise provided, all references to RMB to S$ exchange rate shall be based on the exchange rate of RMB5.59 to S$1.00 as published by the Monetary Authority of Singapore as at the Latest Practicable Date.

Unless otherwise provided, all references to HK$ to S$ exchange rate shall be based on the exchange rate of HK$6.12 to S$1.00 as published by the Monetary Authority of Singapore as at the Latest Practicable Date.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company's current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group. Further, the Company disclaims any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group's expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Fan Bin (*Executive Chairman*)
Mr. Francis Lee Fook Wah (*Lead Independent Director*)
Mr. Kong WeiLi (*Independent Director*)
Mr. Ding Furu (*Non-Executive and Non-Independent Director*)
Ms. Bai Yun (*Executive Director*)

Registered Office:

Block 1002
Tai Seng Avenue #01-2536
Singapore 534409

23 July 2025

To: **The Shareholders of Pavillon Holdings Ltd.**

Dear Sir / Madam,

(I) THE RATIFICATION OF THE DISPOSAL OF SHARES IN LINGBAO GOLD GROUP CO LTD; AND

(II) THE PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT.

1. INTRODUCTION

1.1. Purpose of Circular

The Directors are convening an EGM at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691 on 7 August 2025 at 9.00 a.m. to seek Shareholders' approval for the Proposed Ratification (Ordinary Resolution 1), and Proposed Amendments to the Fengchi IOT Loan as an IPT (Ordinary Resolution 2) (collectively, the "**Proposals**").

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with the relevant information relating to the Proposals, the resolutions in respect thereof to be tabled at the EGM, and to seek Shareholders' approval for such resolutions. The Notice of EGM is set out at pages N-1 to N-4 of this Circular.

As the Disposal has already been completed and New Development, the Controlling Shareholder holding 1,047,218,560 Shares, representing approximately 72.98% voting rights of the Company, has undertaken pursuant to the Shareholder Undertaking to vote in favour of Ordinary Resolution 2, **Shareholders should note that Ordinary Resolution 2 in relation to the Proposed Ratification will be passed during the EGM**. The EGM would give Shareholders the opportunity to ask questions and seek clarification about the Disposal in accordance with Chapter 10 of the Listing Manual.

1.2. Conditionality of Resolutions

Shareholders are to note that the passing of Ordinary Resolution 1 and Ordinary Resolution 2 are not conditional on each other.

1.3. Disclaimers

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy of any of the statements or opinions made or reports contained in this Circular. If a Shareholder

is in any doubt as to the course of action he/she/it should take, he/she/it should consult his/her/its bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE PROPOSED RATIFICATION

2.1. Information on the Disposal

As at the Latest Practicable Date, the Company had (through its indirect wholly-owned subsidiary, Shanghai Yiwen Information and Technology Co., Ltd) collectively disposed a total 8,046,000 shares in Lingbao Gold Group Co Ltd, a public listed company on the Hong Kong Stock Exchange ("**Lingbao**"), constituting approximately 0.65% of the shareholding interest in Lingbao (the "**Disposal**"). Please also refer to the Disposal Announcements for further information, noting that the Company had continued to dispose further shares in Lingbao up to 6 June 2025 (the "**Last Disposal Date**").

The Disposal was completed through open market trades over 28 March 2025 to 6 June 2025 and the 8,046,000 shares in Lingbao (the "**Disposal Shares**") were sold at a range of prices between HK$7.22 (approximately S$1.18) to HK$11.69 (approximately S$1.91) per Disposal Share, resulting in total proceeds of approximately HK$80,717,790 (approximately S$13,189,181). For the purposes of this Circular, the disposal price for the Disposal Shares shall be the volume weighted average of the disposal price, being HK$10.03 (approximately S$1.64) (the "**Disposal Price**").

The Company had, on 14 April 2025, made an application to the SGX-ST for a waiver of the requirement under Rule 1014(2) of the Listing Manual for the Company to obtain shareholders' approval for the Disposal. For more details on the Waiver, please refer to section 2.7 (*Waiver Application*) of this Circular.

2.2. Information on Lingbao

2.2.1. Information on Lingbao

Lingbao[1] and its subsidiaries are primarily engaged in the business of gold mining, smelting, and refining in the PRC.

2.2.2. Value of the Disposal Shares

The Disposal was conducted at the open market prices of the shares of Lingbao, which is publicly traded on the Hong Kong Stock Exchange.

2.3. Rationale for the Disposal

2.3.1. The Company believes that the Disposal is to the benefit of the Group and its shareholders as:

(a) the Disposal Price is a premium of 2.41%, 18.56%, 45.64% and 71.16% over the volume weighted average price per Disposal Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively, up to and including 6 June 2025, being the Last Disposal Date;

(b) the Disposal will result in a gain on disposal and gain over book value for the Group, as set out in section 2.5.1 (*Gain on Disposal*) of this Circular;

(c) the proceeds from the Disposal will provide cashflow for the Company to be used as set out in section 2.4 (*Use of Proceeds*) of this Circular; and

(d) the Company has held the asset for investment and has been looking for an appropriate time to exit from such investment. Due to the current favourable market conditions, the

[1] Information on Lingbao can be found on its website at https://lbgold.com/.

Directors believed that it was an appropriate time for the Disposal.

2.3.2. Further, the Board is of the opinion that there has been and will be no material change in the risk profile of the Company arising from the Disposal, based on the following:

(a) the Board had previously expressed its intention in February 2025 to proceed with the disposal of the Company's shares in Lingbao once a profitable return can be realised. The cost of the shares in Lingbao was approximately S$0.55 per share, bringing the value of the shares in Lingbao to approximately S$5.43 million;

(b) based on the aggregate value of the total consideration received for the Disposal of approximately HK$80,717,790 (approximately S$13,189,181), this results in a gain on disposal recorded by the Group of approximately S$8.8 million; and

(c) the Group will continue to engage its core businesses and there is no material change or alteration to the Group's business or risk profile as the Disposal is not expected to have any adverse impact. Specifically:

(i) the Group's food and beverages segment, properties segment and other segments[2] accounted for approximately 14.03%, 80.93% and 5.04% of the Group's net asset value as of 31 December 2024 based on the annual report for the financial year ended 31 December 2024 (the "**AR2024**"). Pursuant to the Disposal, the Group will remain in these segments and do not expect any material changes to the contributions of each segment, barring any unforeseen circumstances and/or new businesses (subject to any required approvals);

(ii) the proceeds from the Disposal is intended to provide additional cash flow for the Group for existing operations and/or fund new business investment opportunities (subject to any required approvals) and not intended to result in any change in the operations or risk profile of the Group;

(iii) the Disposal will not result in a change in the concentration of operations of the Group in any new business segments or jurisdictions;

(iv) the Group is in a net cash position as of 31 December 2024 based on the AR2024, and the Disposal will further strengthen the Group's net cash position; and

(v) the Disposal will not be expected to have a material impact on the Group's financials, as the one-time gain arising from the transaction is non-recurring and does not form part of the Group's core revenue streams. This gain will be recognised in Other Comprehensive Income (OCI) and there will be no significant adverse impact on the net tangible assets or the earnings per share of the Group.

2.4. Use of Proceeds

The Group intends to retain the proceeds from the Disposal in the PRC to fund general corporate purposes and working capital for existing operations and/or fund new business investment opportunities, subject to any required approvals.

2.5. Pro Forma Financial Effects of the Disposal

The pro forma financial effects of the Disposal on the Group's NTA per share and EPS as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and/o results of the Group following the Disposal. The pro forma financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 31 December 2024.

[2] All other segments, which mainly relate to management fees from related companies within the Group and the investment in the shares held by the Group in Lingbao.

2.5.1. **Gain on Disposal**

Assuming that the Disposal was completed on 31 December 2024, the Group expects to record a gain on disposal of S$8,785,468 and the Group will record a gain of S$8,785,468 over the book value of the Disposal Shares.

2.5.2. **NTA per Share**

Assuming that the Disposal was completed on 31 December 2024, the financial effects on the NTA for FY2024 are as follows:

	Before the Disposal	**After the Disposal**
NTA (S$'000)	60,494	69,280
Number of Shares (excluding treasury shares)	1,434,967,260	1,434,967,260
NTA per Share (S$)	0.0366	0.0427

2.5.3. **EPS**

Assuming that the Disposal was effected on 1 January 2024, the financial effects on the EPS for FY2024 are as follows:

	Before the Disposal	**After the Disposal**
Profit/(Loss) attributable to Shareholders (S$'000)	3,256	3,256
Number of Shares (excluding treasury shares)	1,434,967,260	1,434,967,260
EPS (Singapore cents)	0.23	0.23[(1)]

Note:

(1) As the Disposal will be recorded as a gain under other comprehensive income, there will not be any impact on the Group's EPS.

2.6. Chapter 10 of the Listing Manual

2.6.1. The relative figures in relation to the Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual are as disclosed below. The relative figures below computed on the bases set out in Rule 1006 of the Listing Manual are based on:

(a) the latest available financial statements, being the financial information as at 31 December 2024 and for the full year ended 31 December 2024; and

(b) the Disposal Price for the Disposal,

and are set out as follows:

Rule 1006 of the Listing Manual	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	6.11%(1)
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	47.16%(2)
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation(3) based on the total number of issued shares excluding treasury shares.	32.59%(4)
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.(5)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N.A.(6)

Notes:

(1) Based on the net assets value of the Disposal Shares of RMB 20,660,223 (approximately S$3,695,925) as at 31 December 2024 and the net assets value of the Company of S$60,494,000 as at 31 December 2024.

(2) Based on the net profits attributable to the Disposal Shares of RMB 4,566,105 (approximately S$816,835) for the full year ended 31 December 2024 and the net profits of the Group of S$1,732,000 for the full year ended 31 December 2024.

(3) Based on the market capitalisation of the Company as at the Last Disposal Date of S$40,466,077, which is computed based on 1,434,967,260 shares in issue[3] and the volume weighted average price of S$0.0282 per Share as at the Last Disposal Date. For reference, based on the market capitalisation of the Company of S$37,022,155, which is computed based on 1,434,967,260 shares in issue[4] and the volume weighted average price of S$0.0258 per Share as at 26 March 2025, being the last trading day prior to the date of the first Disposal on 28 March 2025 on which the Shares were traded. Based on this, the relative figure for Rule 1006(c) of the Listing Manual is 35.68%.

(4) Based on the aggregate value of the total consideration received for the Disposal of approximately HK$80,717,790 (approximately S$13,189,181).

(5) Not applicable as no equity securities will be issued for the Disposal.

(6) Not applicable as the Company is not a mineral, oil and gas company.

2.6.2. As the relative figures under Rules 1006(b) and 1006(c) of the Listing Manual for the Disposal exceed 20.0%, the Disposal constitutes a "major transaction" as defined under Chapter 10 of the Listing Manual. Accordingly, under Rule 1014(2) of the Listing Manual, the Disposal is to be made conditional upon approval by shareholders in a general meeting. Please refer to the Waiver, details of which are set out in section 2.7 (*Waiver Application*) of this Circular.

[3] The Company does not have any treasury shares or subsidiary holdings.

[4] The Company does not have any treasury shares or subsidiary holdings.

2.7. Waiver Application

2.7.1. As disclosed in the Disposal Announcements, the Company had on 14 April 2025, made an application to the SGX-ST for a waiver of the requirement under Rule 1014(2) of the Listing Manual for the Disposal to be made conditional upon approval of the Shareholders in a general meeting (the "**Waiver**").

2.7.2. The Company had applied for the Waiver based on the following reasons:

(a) taking into consideration the reasons set out in section 2.3 (*Rationale for the Disposal*) of this Circular, the Board is of the view that the interests of its minority shareholders will not be prejudiced and it is to the benefit of its shareholders for the Company to be able to expeditiously execute and complete the Disposal;

(b) specifically, the shares held by the Group in Lingbao are not operational assets and does not constitute a core asset of the Group. Further, the completion of the Disposal will not materially change the risk profile or business operations of the Group;

(c) additionally, the Disposal is of a time-sensitive nature as any delay in completion may result in changes to the consideration received for the Disposal due to potential share price changes resulting from market volatility; and

(d) in lieu of seeking prior shareholder approval for the Disposal, the Company will convene an extraordinary general meeting to seek shareholders' ratification for the Disposal within six (6) months from the date of approval of the Waiver. In this regard, it has been indicated to the Company that its Controlling Shareholder, New Development, which owns approximately 72.98% of the shareholding interests of the Company, would be willing to provide a written undertaking to the Company to vote in favour of the Disposal. Accordingly, the outcome of the extraordinary general meeting to ratify the Disposal would be certain.

2.7.3. The SGX RegCo had, on 28 April 2025, granted and had no objections to the Company's application for the Waiver, subject to the following conditions (the "**Waiver Conditions**"):

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver Conditions have been satisfied. If the Waiver Conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

(b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company;

(c) submission to the SGX RegCo and announcement via SGXNet of a written opinion from the Company's Board of Directors that there has been or will be no material change in the risk profile of the Company arising from the Disposal, including the basis for its opinion;

(d) the Company announcing the Disposal via SGXNet in accordance with Rule 1010 of the Listing Manual;

(e) the Company holding the extraordinary general meeting to obtain shareholder ratification of the Disposal within six (6) months of the date of Waiver approval; and

(f) submission to the SGX RegCo and announcement via SGXNet of a written undertaking by the Company's Controlling Shareholder, New Development, which owns 72.98% of the shareholding interests of the Company that it will not sell, transfer or otherwise dispose of its shares prior to the extraordinary general meeting and that it will vote in favour of the Proposed Ratification at the extraordinary general meeting.

2.7.4. As at the Latest Practicable Date, save for section 2.7.3(e) of this Circular, the Waiver Conditions have been fulfilled. Accordingly, the Directors are convening the EGM to seek Shareholders' ratification of the Disposal.

2.8. Shareholder Undertaking

In connection with the Waiver, New Development, being a Controlling Shareholder of the Company, has provided a deed of undertaking to the Company on 26 May 2025 (the "**Shareholder Undertaking**"), pursuant to which it has undertaken, among others:

(a) to not sell, transfer or otherwise dispose of its shares prior to the EGM; and

(b) to vote in favour of the Proposed Ratification at the EGM.

As at the Latest Practicable Date, New Development has an interest in 1,047,218,560 Shares, representing approximately 72.98% voting rights of the Company, and it has undertaken in the Shareholder Undertaking to vote in favour of the Proposed Ratification at the EGM, **Shareholders should note that Ordinary Resolution 2 in relation to the Proposed Ratification will be passed during the EGM.**

2.9. Directors' Service Contracts

No person is proposed to be appointed as a Director in connection with the Disposal and no service contracts in relation thereto will be entered into by the Company and any such person.

3. THE PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT

3.1. Background to, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT

As disclosed in the circular dated 21 July 2022 (the "**Subscription Circular**"), Mr. Ding, through New Development, subscribed for 1,047,218,560 Shares in two (2) tranches on 12 August 2022 and 20 October 2022 (the "**New Development Share Subscription**"), becoming an indirect Controlling Shareholder with a shareholding interest of 72.99% in the Company.

Pursuant to the completion of the New Development Share Subscription as described in the Subscription Circular, the proceeds from the New Development Share Subscription, being RMB 200 million (equivalent to S$42,935,961.02 based on the Agreed Exchange Rate), was utilised by the Company to provide the Fengchi IOT Loan to Fengchi IOT to:

(a) pay for the principal amounts of the bridging loans from shareholders of Fengchi IOT;

(b) pay for the final outstanding payments under the construction financing obtained for the Tianjin Logistics Hub; and

(c) finance the remaining instalment amounts and interest payments under the Bank Loan for FY2022,

collectively, the "**Use of the New Development Share Subscription Proceeds**".

The Use of the New Development Share Subscription Proceeds was approved as an interested person transaction at an extraordinary general meeting of the Company held on 5 August 2022. Subsequent to which, the Company had on 8 August 2022 entered into the Fengchi IOT Loan Agreement. The Fengchi IOT Loan was fully utilised accordingly.

In relation to the operations of Fengchi IOT, the Group has managed to increase the occupancy rates at the car garage at the Tianjin Logistics Hub with its efforts and remains committed to increasing average occupancy rates in the office property and exhibition hall at the Tianjin Logistics Hub. Notwithstanding, it is notable that such efforts have been and remain dependent on the state of the economy of the PRC (taking into consideration the trade barriers and tensions

over trade and technology between the PRC and the United States).

As at 30 June 2025, the Tianjin Logistics Hub has the following average occupancy rate:

Average occupancy rate		
Car garage	:	100.00%
Office property	:	17.25%
Exhibition hall	:	8.00%

As at the Latest Practicable Date, Fengchi IOT has not recorded any profit since the commencement of the operations of the Tianjin Logistics Hub in the first half of 2021 and accordingly, it has a negative rental yield. As at the Latest Practicable Date, Fengchi IOT is generating sufficient income and cashflow to sustain its business and operating expenses (but not for the repayment of any loan principal and interest amount under its outstanding borrowings).

For reference, the following sets out the audited financial performance of Fengchi IOT for FY2022, FY2023 and FY2024, respectively:

S$'000	Audited		
	FY2022	FY2023	FY2024
Revenue	5,376	3,104	3,342
Net profit/(loss) before tax	11,709	(14,810)	(3,152)
Net profit/(loss) after tax	11,709	(14,810)	(3,152)
Total comprehensive income/(loss), representing net profit/(loss)	11,709	(14,810)	(3,152)
Fair value gain/(loss) on investment property	17,193	(11,398)	(2,751)
Total comprehensive income/(loss), representing net profit/(loss) after excluding fair value gain or loss on investment property	(5,484)	(3,412)	(401)

As set out in the table above, after excluding fair value gain or loss on investment property (namely, the Tianjin Logistics Hub), Fengchi IOT would have reported audited net losses of approximately S$5.48 million, S$3.41 million and S$0.40 million in FY2022, FY2023 and FY2024 respectively.

As at the Latest Practicable Date, Fengchi IOT has not achieved the optimal average occupancy rate for the Tianjin Logistics Hub to become profitable and as set out above, Fengchi IOT had

not generated sufficient revenue to repay its outstanding borrowings in FY2022, FY2023 and FY2024. As a reference, Fengchi IOT had revenue of approximately S$3.35 million (or approximately RMB 17.979 million based on the average of month end exchange rate for FY2024) in FY2024 which represents only 6.9% of Fengchi IOT's latest published current liabilities of S$48.6 million as at 31 December 2024.

The financial position of Fengchi IOT is as follows:

S$'000	**Audited as at 31 December 2023**	**Audited as at 31 December 2024**
Current assets	1,307	1,926
Current liabilities	(46,102)	(48,587)
Net current liabilities	(44,795)	(46,661)
Non-current assets	100,789	98,588
Non-current liabilities	(45,275)	(44,376)
Net asset value	10,719	7,551

As set out above, Fengchi IOT had negative working capital as at 31 December 2024 which was attributed mainly to its outstanding borrowings which were substantially current in nature. As further background, aside from the Fengchi IOT Loan, the following are the outstanding borrowings of Fengchi IOT as at 30 June 2025:

Loan	**Use of funds**	**Outstanding principal amount and accrued interest amount as at 30 June 2025**	**Repayment terms**	**Intended source of funds for repayment**
Short-Term Financing Loan(1)	Fund the partial repayment of the construction financing obtained for the Tianjin Logistics Hub.	Outstanding principal amount: RMB 3 million. Accrued interest amount: RMB 2.1 million	Bullet repayment of principal and interest amounts at end of tenure.	To be repaid from income generated from operations of Fengchi IOT.
Second 3P Financing(2)	Early repayment of RMB 100 million under the First 3P Financing(3), as requested by lender of the First 3P Financing.	Outstanding principal amount: RMB 96 million. Accrued interest amount: RMB 0.1 million	Semi-annual repayment of principal amount and quarterly repayment of interest amount.	To be repaid from the 2024 New Development Loan and, if necessary, further shareholder loans to be procured from Liuyu on an interest-free basis.
Existing PRC Mortgage Lease(4)	Early repayment of RMB 47.5 million under the First 3P Financing, as	Outstanding principal amount: RMB 21.9 million.	Quarterly repayment of principal and interest amounts.	To be repaid from income generated from operations of Fengchi IOT

Loan	Use of funds	Outstanding principal amount and accrued interest amount as at 30 June 2025	Repayment terms	Intended source of funds for repayment
	requested by lender of the First 3P Financing.	Accrued interest amount: RMB 0.01 million		and, if necessary, further shareholder loans to be procured from Liuyu on an interest-free basis.
2024 New Development Loan(5)	(a) Full repayment of the First 3P Financing. (b) Repayment of the Second 3P Financing in accordance with the repayment terms of the Second 3P Financing. (c) Capital expenditure for Fengchi IOT, including the (i) renovation of the office tower; (ii) installation of security systems for the warehouse area; and (iii) installation of facility and equipment for vehicle inspection to meet PRC authority requirements and customer needs. (d) Repayment of Liuyu Loan(5). (e) Working capital for trading of parallel import cars by Fengchi IOT.	Outstanding principal amount: RMB 112.5 million. Accrued interest amount: RMB 4.3 milllion	Bullet repayment of principal and interest amounts at end of tenure.	To be repaid from income generated from operations of Fengchi IOT.

Loan	Use of funds	Outstanding principal amount and accrued interest amount as at 30 June 2025	Repayment terms	Intended source of funds for repayment
Liuyu Loan(6)	Fund the quarterly repayment of principal and interest amounts of the Existing PRC Mortgage Lease, in accordance with the repayment terms of the Existing PRC Mortgage Lease.	Outstanding principal amount: RMB 6.6 million. Accrued interest amount: Nil.	Bullet repayment of principal amount at end of tenure.	To be repaid from the 2024 New Development Loan.
Liuyu Loan Advances(7)	Fund the quarterly repayment of principal and interest amounts of the Existing PRC Mortgage Lease, in accordance with the repayment terms of the Existing PRC Mortgage Lease.	Outstanding principal amount: RMB 11.5 million. Accrued interest amount: Nil.	Bullet repayment of principal amount at end of tenure.	To be repaid from income generated from operations of Fengchi IOT.
Tianjin Yixing Loan(8).	Fund the quarterly repayment of principal and interest amounts of the Existing PRC Mortgage Lease, in accordance with the repayment terms of the Existing PRC Mortgage Lease.	Outstanding principal amount: RMB 4 million. Accrued interest amount: RMB 0.12 million	Bullet repayment of principal and interest amounts at end of tenure.	To be repaid from income generated from operations of Fengchi IOT.

Notes:

(1) The existing short-term financing loan provided to Fengchi IOT by Mr. Ding, through an associated

company, for the principal amount of up to RMB 20 million, with an interest rate of five per cent. (5.0%), for a tenure from December 2021 to December 2024. Pursuant to a supplementary agreement dated 17 December 2024, the short-term financing loan was amended to (a) extend the tenure of the loan to 31 December 2027; and (b) confirm that with effect from 13 October 2022, the interest rate of the loan was adjusted from eight per cent. (8.0%) per annum to five per cent. (5.0%) per annum.

(2) The existing financing loan provided to Fengchi IOT by an unrelated third party financial institution, 天津农商银行 (Tianjin Rural Commercial Bank Co., Ltd.), for the principal amount of RMB 100 million, with an interest rate of 5.4 per cent. per annum, for a tenure of eight (8) years from March 2024, secured by the Tianjin Logistics Hub and a joint and several liability corporate guarantee from New Development.

(3) The existing financing loan provided to Fengchi IOT by an unrelated third party, 东奉集团有限公司 (Dongfeng Group Co., Ltd.), for the principal amount of RMB 256 million, with an interest rate of five per cent. (5.0%) per annum, for a tenure of November 2022 to December 2024, secured by the Tianjin Logistics Hub. The principal amount of RMB 256 million was fully repaid pursuant to the drawdown by Fengchi IOT under the 2024 New Development Loan but the interest amount of RMB 6,961,771 remains outstanding and the Group is currently in discussions with 东奉集团有限公司 (Dongfeng Group Co., Ltd.) to agree on (a) a resolution on the repayment of such outstanding interest amount; and (b) that no default interest shall be accrued on such outstanding interest amount.

(4) The existing mortgage lease provided to Fengchi IOT by an unrelated third party 长江联合金融租赁有限公司 (Changjiang United Financial Leasing Co., Ltd) for the principal amount of RMB 50 million with an interest rate of five (5)-year PRC lending prime rates plus 1.6 per cent. (1.6%) per annum (approximately 5.2% per annum as at the Latest Practicable Date), for a tenure of 36 months commencing from September 2023, secured by (a) fixed equipment of Fengchi IOT; and (b) two (2) properties in Shanghai, PRC of Mr. Ding. As at the Latest Practicable Date, there is no intention of prepaying the Existing PRC Mortgage Lease prior to its maturity as (a) the Existing PRC Mortgage Lease was obtained with the intention of maintaining a relationship with a reputable third party financial leasing company in the event any leasing or financial services may be required by the Fengchi IOT Group; and (b) based on the outstanding principal amount of the Existing PRC Mortgage Lease and the quarterly repayment of such principal amount together with accrued interest amount pursuant to the terms and conditions of the Existing PRC Mortgage Lease, the total interest amount accrued and payable under the Existing PRC Mortgage Lease up to its maturity will be lesser than the total interest amount which will be accrued and payable under the 2024 New Development Loan (for a similar repayment period), if there was a drawdown thereunder by Fengchi IOT to fully repay the outstanding principal amount of the Existing PRC Mortgage Lease currently.

(5) The loan facility provided to Fengchi IOT by New Development for the principal amount of up to RMB 300 million, with an interest rate of five per cent. (5.0%) per annum, for a tenure of eight (8) years from 19 September 2024.

(6) The interest-free loans provided to Fengchi IOT by Liuyu over the period of March 2024 to 24 June 2024, amounting to a total principal amount of RMB 6.6 million, and as agreed between Fengchi IOT and Liuyu for such loans to be repaid by January 2029.

(7) The interest-free loan advances provided to Fengchi IOT by Liuyu over the period of July 2024 to December 2024, amounting to a total principal amount of RMB 11.5 million, and as agreed between Fengchi IOT and Liuyu for such loan advances to be repaid by January 2029.

(8) The existing loan provided to Fengchi IOT by Tianjin Yixing, for the principal amount of RMB 4 million, with an interest rate of five per cent. (5.0%) per annum, for a tenure of three (3) years commencing from November 2024.

As the operations of Fengchi IOT have not been able to meet the profitability and cashflow projections, Fengchi IOT is unable to repay the Fengchi IOT Loan as (a) the income and cashflow currently generated by Fengchi IOT is only sufficient to sustain its operating expenses; and (b) Fengchi IOT remains dependent on the continued financial support and commitment from Mr. Ding and his associated companies and the Group to meet repayment obligations under the other Fengchi IOT's other loans extended by the unrelated parties, as set out above. Fengchi IOT will not be able to operate as a going concern (and/or repay its outstanding borrowings) without such continued financial support.

Fengchi IOT is currently the subsidiary of the Company following the consolidation in FY2024. Therefore, the Directors would therefore have greater oversight over Fengchi IOT's financial affairs and have the discretions to assess and request for the repayment of the accrued and outstanding interest expenses, after the assessment of Fengchi IOT's working capital requirements pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT.

Accordingly, in light of the maturity date of the Fengchi IOT Loan Agreement on 12 August 2025 (being 36 months from the first disbursement date of 12 August 2022), the Company having taken into consideration the loss-making financial performance and cash flow requirements of Fengchi IOT (including for its business operations and repayment obligations in respect of the secured borrowings), has agreed to extend the tenure of the Fengchi IOT Loan for a further three (3) years to 12 August 2028, being a total tenure of six (6) years from the first disbursement date of 12 August 2022, pursuant and subject to the terms of the Supplemental Agreement. The extension of the tenure of the Fengchi IOT Loan is subject to (a) a revised interest rate of six per cent. (6.0%) per annum during the extended tenure; and (b) the ability for the Company to request for repayment of the accrued interests at the end of each financial year, subject to an assessment by the Audit and Risk Committee of the Company with regards to the working capital requirements of Fengchi IOT in relation to Fengchi IOT's operations. Independent Shareholders' approval is thus being sought for the Proposed Amendments to the Fengchi IOT Loan as an IPT in relation thereto.

The Proposed Amendments to the Fengchi IOT Loan as an IPT as contemplated by the Supplemental Agreement is intended to provide greater financial flexibility for Fengchi IOT to grow and strengthen its existing business operations and generate revenue in its Tianjin Logistics Hub, which may then be used to repay its outstanding liabilities.

Accordingly, after taking into consideration the purpose for the Proposed Amendments to the Fengchi IOT Loan as an IPT, the Group is of the view that the entry into the Supplemental Agreement is to the benefit of the Group and is not prejudicial to the interests of the Independent Shareholders. Shareholders are also to refer to sections 3.6 (*Statement from the Audit and Risk Committee*) and 6.2 (*The Proposed Amendments to the Fengchi IOT Loan as an IPT*) of this Circular for the views of the Audit and Risk Committee and the Non-Interested Directors.

3.2. Interested Person Transaction

(a) Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an "entity at risk") enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

For the purposes of Chapter 9 of the Listing Manual:

(i) "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(ii) "**entity at risk**" means:

(A) the listed company;

(B) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(C) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(iii) "**interested person**" means:

(A) a director, chief executive officer, or controlling shareholder of the listed company; or;

(B) an associate of any such director, chief executive officer, or controlling shareholder.

The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction; and

(iv) "**interested person transaction**" means a transaction between an entity at risk and an interested person, and a "transaction" includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business and whether or not entered into directly or indirectly.

(b) The "Entity at Risk" and the "Interested Person"

Under the Fengchi IOT Loan Agreement and the Supplemental Agreement, the "**entity at risk**" is the Company and the "**interested person**" is Fengchi IOT.

Under the Fengchi IOT Loan Agreement, the Company had extended to Fengchi IOT the Fengchi IOT Loan of RMB 200 million (equivalent to approximately S$42,935,961.02 based on the Agreed Exchange Rate). The Fengchi IOT Loan, if not amended by the Supplemental Agreement, will have a maturity date of 12 August 2025, being 36 months from the first disbursement date under the Fengchi IOT Loan Agreement. The entry into the Supplemental Agreement is intended to extend the tenure of the Fengchi IOT Loan Agreement from a period of 36 months to six (6) years from the first disbursement date under the Fengchi IOT Loan Agreement, subject to Independent Shareholders' approval being obtained.

Fengchi IOT is a joint venture between Tianjin Lanting (49.0%), a wholly-owned subsidiary of the Company, and Mr. Ding (51.0%) through Liuyu. The principal asset of Fengchi IOT is the Tianjin Logistics Hub (which completed construction in December 2020 and begun operations in early 2021) and Fengchi IOT generates revenue from leasing out units and space of the Tianjin Logistics Hub. Fengchi IOT has been consolidated as a subsidiary of the Group since May 2024.

New Development is a Controlling Shareholder of the Company, with a shareholding interest of 72.98% in the Company as at the Latest Practicable Date. Mr. Ding (a non-executive and non-independent Director of the Company) is the sole shareholder and director of New Development.

Therefore, Fengchi IOT is an "**interested person**" of the Company, and the entry by the Company into the Supplemental Agreement with Fengchi IOT is an "**interested person transaction**" under Chapter 9 of the Listing Manual.

3.3. Key Terms of the Amended Fengchi IOT Loan

As at the Latest Practicable Date, it is envisaged that the amendment contemplated under the Supplemental Agreement will maintain the principal terms of the Fengchi IOT Loan Agreement which were previously approved by Shareholders at the extraordinary general meeting held on 5 August 2022, save as set out below. The principal terms of the Amended Fengchi IOT Loan Agreement are summarised below:

Principal amount	:	RMB 200 million.
Lender	:	The Company.

Borrower : Fengchi IOT.

Tenure : The entire Fengchi IOT Loan and all interest accrued thereon must be repaid within six (6) years from the first disbursement date, or at such other time as may be mutually agreed by the parties.(1)

Interest rate : Interest shall be payable on the Fengchi IOT Loan at a rate of five per cent. (5.0%) per annum for the first three (3) years of the tenure and six per cent. (6.0%) per annum for the remaining three (3) years of the tenure (the "**Interest**").(2)

Interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed from the relevant disbursement date until repayment.

Subject to Clause 3.5 of the Fengchi IOT Loan Agreement (as reproduced below), Interest shall accrue on the basis of a year of 360 days and shall be payable by Fengchi IOT to the Company on the last day of the tenure (the "**Interest Payment Date**").(3)

If Fengchi IOT fails to pay any amount under the Fengchi IOT Loan Agreement on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the same rate as the revised rate of Interest of six per cent. (6.0%) per annum.

So long as any amount of the Fengchi IOT Loan remains outstanding, the Company shall be entitled to the repayment by Fengchi IOT before the Interest Payment Date, of any accrued and outstanding interest for any financial year, provided that the Company shall issue a written notice to Fengchi IOT informing Fengchi IOT of (a) the quantum of accrued Interest to be repaid; and (b) the repayment date, which shall be after the end of the relevant financial year for which the Interest has accrued.(4)

Security : The Fengchi IOT Loan is unsecured.

Use of Proceeds : Unless otherwise agreed by the Company in writing, Fengchi IOT shall apply the proceeds from the Fengchi IOT Loan towards the following purposes, and no other purpose:

(a) the repayment of principal amounts of the bridging loans amount to RMB 16.0 million provided by the shareholders of Fengchi IOT;

(b) the repayment of the final outstanding payments amounting to RMB 166.9 million to 浙江中成建工集团有限公司 (Zhejiang Zhong Cheng Construction Group Co. Ltd) under the financing arrangements secured by Fengchi IOT for the construction costs incurred for the warehouse; and

(c) the financing of the remaining instalment amounts and interests payments for the financial year ended 31 December 2022 under the Bank Loan.

As at the Latest Practicable Date, the Fengchi IOT Loan has been fully drawn down, with its proceeds used accordingly to the above purposes.

Notes:

(1) Under the Fengchi IOT Loan Agreement, the entire Fengchi IOT Loan and all interest accrued thereon must be repaid within 36 months from the first disbursement date. Pursuant to the Supplemental Agreement, the tenure of the Fengchi IOT Loan is proposed to be extended to a period of six (6) years from the first disbursement date.

(2) The interest payable on the Fengchi IOT Loan under the Fengchi IOT Loan Agreement was at a rate of five per cent. (5.0%) per annum. The Supplemental Agreement amends the interest payable to five per cent. (5.0%) per annum for the first three (3) years and six per cent. (6.0%) per annum for the remaining three (3) years of the tenure.

(3) Pursuant to the Supplemental Agreement, this will now be subject to the new Clause 3.5 to be inserted in the Fengchi IOT Loan Agreement, which states, among others, that the Company shall be entitled to the repayment by Fengchi IOT before the Interest Payment Date of any accrued and outstanding interest.

(4) This is extracted from the new Clause 3.5 in the Fengchi IOT Loan Agreement which has been inserted to provide that the Company shall be entitled to the repayment by Fengchi IOT before the Interest Payment Date of any accrued and outstanding interest.

(5) In light of the loss-making financial performance and cash flow requirements of Fengchi IOT necessary to sustain its business and operations, the Company has agreed to amend the terms of the Fengchi IOT Loan pursuant to the Supplemental Agreement and as stated in Notes (1) to (4) above. The inclusion of the new Clause 3.5 is to provide the Company with flexibility to request for repayment of any accrued and outstanding interest, subject to an assessment by the Audit and Risk Committee of the Company with regards to the working capital requirements of Fengchi IOT in relation to Fengchi IOT's operations.

3.4. Computation of Thresholds under Chapter 9 of the Listing Manual

Having considered Rule 909 of the Listing Manual, which considers the value of the transaction to be the amount at risk to the Group, the Company has considered the value of the interested person transaction in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT to be the following:

Taking into consideration the amount of and the terms of the Amended Fengchi IOT Loan (the additional tenure of three (3) years at a six per cent. (6.0%) interest rate per annum for the remaining three (3) years on 360-day basis), the value of the interested person transaction arising from the Amended Fengchi IOT Loan is approximately RMB 236 million (equivalent to approximately S$42.22 million), which represents approximately 69.79% of the audited NTA of the Group for FY2024 (being the latest audited NTA amounting to approximately S$60,494,000).

As the Proposed Amendments to the Fengchi IOT Loan as an IPT exceeds five per cent. (5.0%) of the Group's latest audited NTA value, the Company must obtain Independent Shareholders' approval for the Proposed Amendments to the Fengchi IOT Loan as an IPT.

3.5. Total Value of Interested Person Transactions for FY2025

As at the Latest Practicable Date, the total value of other interested person transactions with Mr. Ding or any of his associates for FY2025 was approximately RMB 16.69 million (approximately S$2.99 million), representing approximately 4.94% of the audited NTA of the Group for FY2024 (being the latest audited NTA prior to the entry into such interested person transactions in FY2024, amounting to approximately S$60,494,000). Such interested person transactions were entered into:

(a) pursuant to shareholders' approval obtained (RMB 11.66 million (approximately S$2.09 million));

(b) prior to the relevant person becoming an interested person (RMB 0.15 million (approximately S$0.03 million));

(c) of no financial impact to the Company (as explained below) (RMB 4.68 million (approximately S$0.84 million)); and

(d) entered into in FY2024 without requiring Shareholder's approval as the value at risk was below five per cent. (5.0%) of the Group's NTA based on the audited NTA of the Group for

FY2023 (being the latest audited NTA prior to the entry into such interested person transactions in FY2024), when taken together with all the other interested person transactions with Mr. Ding and his associates for FY2024, save for such interested person transactions which had already been approved or did not require such approval (RMB 0.2 million (approximately S$0.03 million)).

The above total value related to the following transactions:

Transaction	Name of interested person	Nature of relationship	Aggregate value of transaction	Approval
Accrual of interest amount payable(1) by Fengchi IOT to the Company under the Fengchi IOT Loan for the period of FY2025, as required by applicable accounting principles.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Liuyu and Liuyu is the 51% shareholder of Fengchi IOT. Fengchi IOT is therefore an associate of Mr. Ding.	RMB 6.16 million (approximately S$1.10 million).	Shareholder's approval was sought for the Fengchi IOT Loan under the Subscription Circular and obtained on 5 August 2022.
Accrual of interest amounts payable(2) by Fengchi IOT to the associated company of Mr. Ding under the Short-Term Financing Loan, for the period of FY2025 as required by applicable accounting principles.	Mr. Ding.	The provider of the Short-Term Financing Loan is an associated company of Mr. Ding.	RMB 0.15 million (approximately S$0.03 million).	The Short-Term Financing Loan was entered into prior to Mr. Ding becoming a Controlling Shareholder of the Company.
Accrual of interest amounts payable(3) by Fengchi IOT to New Development under the 2024 New Development Loan for the period of FY2025, as required by applicable	Mr. Ding.	New Development is wholly-owned by Mr. Ding and therefore, an associate of Mr. Ding.	RMB 5.5 million (approximately S$0.99 million).	Shareholder's approval was sought for the 2024 New Development Loan under the circular dated 22 July 2024 and obtained on 13 August 2024.

Transaction	Name of interested person	Nature of relationship	Aggregate value of transaction	Approval
accounting principles.				
Payment of rental amount by Daju Logistics to Fengchi IOT under the Lease.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Liuyu and Liuyu is the 51% shareholder of Fengchi IOT. Fengchi IOT is therefore an associate of Mr. Ding.	RMB 2.34 million (approximately S$0.42 million)(4).	-(5).
Receipt of rental amount by Fengchi IOT from Daju Logistics under the Lease.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Liuyu and Liuyu is the 51% shareholder of Daju Logistics. Daju Logistics is therefore an associate of Mr. Ding.	RMB 2.34 million (approximately S$0.42 million)(4).	-(5).
Accrual of interest amount payable(7) by Fengchi IOT to Tianjin Yixing under the Tianjin Yixing Loan for the period of FY2025, as required by applicable accounting principles	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Liuyu and Liuyu is the 51% shareholder of Fengchi IOT. Fengchi IOT is therefore an associate of Mr. Ding.	RMB 0.2 million (approximately S$0.03 million)	-(6)

Notes:

(1) Whilst accrued in accordance with applicable accounting principles for the period of FY2025, the interest amount will only be payable at the end of the tenure of the Fengchi IOT Loan, in accordance with its terms.

(2) Whilst accrued in accordance with applicable accounting principles for the period of FY2025, the interest amount will only be payable at the end of the tenure of the Short-Term Financing Loan, in accordance with its terms.

(3) Whilst accrued in accordance with applicable accounting principles for the period of FY2025, the interest amount will only be payable at the end of the tenure of the 2024 New Development Loan, in accordance with its terms.

(4) The rental amount paid was for the period of 1 November 2024 to 30 April 2025. Under the terms of the Lease, the rental amount is due every three (3) months, and the next rental amount will be due and payable by Daju Logistics to Fengchi IOT by end of June 2025.

(5) Both Daju Logistics and Fengchi IOT have been consolidated as subsidiaries of the Group since May 2024, where the Company holds an indirect shareholding interest of 49.0% in each of these entities and Mr. Ding (through Liuyu) holds the remaining shareholding interest of 51.0% in each of these entities. Pursuant to the Lease, Daju Logistics as the entity at risk (as an associated company of the Company) paid a total of RMB 2.34 million (approximately S$0.42 million) in rental amount for FY2025 (up to the Latest Practicable Date) to Fengchi IOT as the interested person (as an associate of Mr. Ding who is a Controlling Shareholder of the Company through New Development) and Fengchi IOT as the entity at risk (as an associated company of the Company) received a total of RMB 2.34 million (approximately S$0.42 million) in rental amount for FY2025 (up to the Latest Practicable Date) from Daju Logistics as the interested person (as an associate of Mr. Ding who is a Controlling Shareholder of the Company through New Development). The payment and receipt of the rental amount thereunder are pursuant to the same transaction under the Lease and from the Company's perspective, due to the fact that these entities have the same shareholders in the same proportion, there is no financial impact on the Company resulting from the payment and receipt of rental amount under the Lease.

(6) No approval was obtained in relation to the Tianjin Yixing Loan by Tianjin Yixing to Fengchi IOT when it was entered into in November 2024, as the value at risk was below five per cent. (5.0%) of the Group's NTA based on the audited NTA of the Group for FY2023 (being the latest audited NTA prior to the entry into such interested person transactions in FY2024), when taken together with all the other interested person transactions with Mr. Ding and his associates for FY2024, save for such interested person transactions which had already been approved or did not require such approval.

(7) Whilst accrued in accordance with applicable accounting principles for the period of FY2025, the interest amount will only be payable at the end of the tenure of the Tianjin Yixing Loan, in accordance with its terms.

3.6. Statement from the Audit and Risk Committee

The Audit and Risk Committee (save for Mr. Ding) having reviewed, amongst others, the terms and conditions, background to, rationale for and benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT, the opinion of the IFA and all other relevant information set out in this Circular, and after discussions with the management of the Company, is of the opinion that the Supplemental Agreement has been entered into on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and consequently the terms and conditions of the Amended Fengchi IOT Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

As stated above, Mr. Ding is an "**interested person**" under Chapter 9 of the Listing Manual in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT. Accordingly, he has refrained from providing any opinion in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT.

3.7. Independent Financial Adviser

3.7.1. Appointment of the IFA

Novus Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser pursuant to Rule 921(4)(a) of the Listing Manual to provide an opinion on whether the Proposed Amendments to the Fengchi IOT Loan as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Shareholders should carefully consider the recommendations of the Non-Interested Directors, the Audit and Risk Committee and the opinion of the IFA before deciding whether or not to vote in favour of Ordinary Resolution 2 in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT, to be tabled at the EGM. The opinion and advice of the IFA is set out in the IFA Letter as set out in the **Appendix** (*IFA Letter*) to this Circular.

3.7.2. **Opinion of the IFA**

Information relating to the opinion of the IFA and the key factors it has taken into consideration in arriving at its opinion have been extracted from paragraph 5 of the IFA Letter and are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter:

"*In arriving at our opinion in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT, we have considered, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:*

(a) the rationale for, and benefits of, the Proposed Amendments to the Fengchi IOT Loan as an IPT which includes, amongst others, (i) the commitment of Fengchi IOT to increase the average occupancy rates at the Tianjin Logistics Hub, (ii) the loss-making financial performance, cash flow requirements of Fengchi IOT (including for its business operations and repayment obligations in respect of the secured borrowings) as well as Fengchi IOT remains dependent on the financial support from Mr. Ding and his associated companies and the Group, and (iii) greater financial flexibility for Fengchi IOT to grow and strengthen its business operations and generate revenue in its Tianjin Logistics Hub;

(b) the historical financial performance and position of the Group which includes (i) the recognition of a profit attributable to equity holders of the Company of approximately S$3.3 million in FY2024 in FY2024 vis-à-vis a loss attributable to equity holders of the Company of approximately S$0.7 million and S$4.7 million in FY2022 and FY2023 respectively, and (ii) the working capital of the Group of approximately S$1.6 million and S$3.2 million as at 31 December 2022 and 31 December 2023 respectively vis-a-vis the negative working capital of approximately S$3.4 million as at 31 December 2024, mainly due to effects of the Consolidation in FY2024 as a result of the negative working capital position of Fengchi IOT;

(c) the historical financial performance and position of Fengchi IOT which includes (i) the recognition of a net profit after tax of approximately S$11.7 million in FY2022 vis-à-vis a net loss after tax of approximately S$14.8 million and S$3.2 million in FY2023 and FY2024 respectively, and (ii) a negative working capital of approximately S$50.9 million, S$44.8 million and S$46.7 million as at 31 December 2022, 31 December 2023 and 31 December 2024 respectively;

(d) the improvement to Fengchi IOT's working capital position as at 31 December 2024 from a deficit of approximately S$46.7 million to a deficit of approximately S$0.9 million after taking into account the First Adjustments and the Second Adjustment. The illustrated improvement in working capital position is expected to alleviate Fengchi IOT's short-term debt repayment obligations and Fengchi IOT would have greater financial flexibility to strengthen its business operations without facing immediate liquidity pressures;

(e) in comparison with the key terms of the existing indebtedness of the Group:

(i) the Revised Interest Rate under the Amended Fengchi IOT Loan of 6.0% per annum is above (A) both the effective interest rate and weighted mean interest rate of 3.81% of the Group's SGD Loans, and (B) the nominal interest rate of 5.00% of the New Development 2024 Company Loan;

(ii) the Revised Interest Rate under the Amended Fengchi IOT Loan of 6.0% per annum is above (A) the range of effective interest rates of 5.00% and 5.52% of the Fengchi IOT's RMB Loans, (B) the weighted mean interest rate of 5.27% of the Fengchi IOT's RMB Loans, (C) above the range of effective interest rates of 5.50% and 5.52% of the Fengchi IOT's RMB Loans from the unrelated parties, and (D) above the effective interest rate of 5.00% of the Fengchi IOT's RMB Loans from the related parties;

(iii) *the Company does not require any security, charge or mortgage over assets under the Amended Fengchi IOT Loan, which is similar to the terms of the other Fengchi IOT's RMB Loans and the Group's SGD Loans provided by Mr. Ding and/or his associated companies to Fengchi IOT and the Company respectively, notwithstanding that Fengchi IOT had provided securities and corporate guarantees for the two (2) secured bank facilities provided by unrelated parties, and that the Company had provided a corporate guarantee for the Group's SGD Loans; and*

(iv) *the Amended Fengchi IOT Loan does not provide for a default interest rate which is similar to the Fengchi IOT's RMB Loans and the Group's SGD Loans extended by the related parties to Fengchi IOT and the Company respectively, notwithstanding that the other Group Existing Loans extended by unrelated parties provide for default interest in the event of a repayment default with the default interest rates ranging from 3.50% to 18.00% per annum on outstanding amounts;*

(f) *in comparison with the Inter-Company Loan, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is above the 5.0% per annum interest rate applicable to the Inter-Company Loan;*

(g) *in comparison with the LPR in the PRC, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is above the prevailing one-year and five-year LPR of 3.0% and 3.5% respectively;*

(h) *in comparison with the Reference Transaction, (i) all the Reference Transactions are unsecured in nature which is similar to the Amended Fengchi IOT Loan; and (ii) save for the interest-free loans under the Reference Transactions, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is at the higher end of the range of the interest rates of the Reference Transactions of between 3.00% to 6.00% per annum:*

(i) *in comparison with the Related Party Loans:*

(i) *the Revised Interest Rate of 6.0% per annum on the Amended Fengchi IOT Loan is above the interest rates of 5.0% per annum of each of the interest-bearing Related Party Loans;*

(ii) *the Loan Tenure of six (6) years under the Amended Fengchi IOT Loan is within the range of the loan tenures of the Related Party Loans of between approximately five (5) years and eight (8) years;*

(iii) *the total loans or financial support provided by Mr. Ding and his associated companies to Fengchi IOT amounted to approximately RMB346.3 million, which (A) represents 62.04% of the aggregate of the Related Party Loans and the loans or financial assistance extended by the Group to Fengchi IOT, amounting to approximately RMB211.8 million, and (B) exceeded Mr. Ding's proportionate shareholding interest of 51.0% in Fengchi IOT (held through Liuyu); and*

(iv) *the repayment term for the principal and accrued interest expenses for the Related Party Loans is similar to the repayment terms of the Amended Fengchi IOT Loan;*

(j) *other relevant considerations as set out in paragraph 4.8 of this Letter, namely:*

(i) *the status of the New Development 2024 Fengchi Loan including, inter alia, that approximately RMB187.5 million remains available for drawdown under the New Development 2024 Fengchi Loan, and that such loan may only be utilised for the purposes as approved by the Independent Shareholders at the 2024 EGM;*

(ii) *there being no additional cash outlay to be provided by the Group to Fengchi IOT pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT;*

(iii) *the limited viable corporate structuring and financing alternatives considered by the*

Board which includes, (A) the difficulties in obtaining new loans from other banks and financial institutions on favourable terms to refinance the Fengchi IOT Loan, (B) the current financial condition of Fengchi IOT which is only sufficient to sustain its operating expenses, as well as the dependency on the continued financial support from Mr. Ding and his associated companies and the Group to meet its repayment obligations, (C) the enforceability rights of the secured creditors, which may trigger a forced disposal of the Tianjin Logistics Hub in the event of any default on the secured loans, and (D) the absence of any formal offers or proposals received from any third parties to acquire the Company's 49.0% interest in Fengchi IOT or the Tianjin Logistics Hub as at the Latest Practicable Date;

(iv) Fengchi IOT being a subsidiary of the Company would provide, inter alia, the Directors greater oversight over Fengchi IOT's financial affairs and have the discretions to assess and request for the repayment of the accrued and outstanding interest expenses;

(v) no additional fundings required by the Company as the New Development 2024 Company Loan remains available to be drawn down by the Company; and

(vi) the abstention from voting from Mr. Ding, New Development and their respective associates in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT.

Having regard to the considerations set out in above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Amendments to the Fengchi IOT Loan as an IPT are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders."

3.7.3. **Consent from the IFA**

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter as set out in the **Appendix** (*IFA Letter*) to this Circular and all references thereto and to the IFA Letter, in the form and context in which each appears in this Circular, and to act in such capacity in relation to this Circular.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

Save as disclosed in this Circular, none of the Directors, the Substantial Shareholders or their respective associates has any interest, direct or indirect, in the Proposals, other than through their respective directorships and/or shareholdings in the Company.

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, as recorded in the Register of Directors' shareholdings and Register of Substantial Shareholders' shareholdings respectively, were as set out in the table below:

	Direct Interest		Deemed Interest	
	Number of Shares (1)	%	Number of Shares (1)	%
Directors				
Mr. Ding Furu	-	-	1,047,408,760 (2)	72.99
Mr. Francis Lee Fook Wah	-	-	-	-
Mr. Kong WeiLi	-	-	-	-

	Direct Interest		Deemed Interest	
	Number of Shares (1)	%	Number of Shares (1)	%
Mr. Fan Bin	-	-	-	-
Ms. Bai Yun	-	-	-	-
Substantial Shareholders				
New Development	1,047,218,560	72.98	-	-
Mr. Ding Furu(2)	-	-	1,047,408,760	72.99
UOB Kay Hian Private Limited	100,000,000	6.97	-	-
Hong Kong Bright Food Investment Co., Limited(3)	-	-	100,000,000	6.97
Yang Shang Ran(3)	-	-	100,000,000	6.97
Union Energy Corporation Pte Ltd	41,000,000	2.86	-	-
Teo Kiang Ang(4)	35,211,000	2.45	41,000,000	2.86

Notes:

(1) Based on the total share capital of the Company of 1,434,967,260 Shares as at the Latest Practicable Date.

(2) Mr. Ding is deemed interested in the (a) 1,047,218,560 Shares held in the name of New Development, which Mr. Ding is the sole director and shareholder; and (b) 190,200 Shares held by UOB Kay Hian Pte Ltd for and on behalf of him as the beneficial owner.

(3) Hong Kong Bring Food Investment Co., Limited ("**HK Bright Food**") is deemed interested in 100,000,000 Shares held by UOB Kay Hian Private Limited for and on behalf of it as the beneficial owner. Mr. Yang Shang Ran is deemed interested in the 100,000,000 Shares held by UOB Kay Hian Private Limited for and on behalf of HK Bright Food, which he is the sole shareholder.

(4) Mr. Teo Kiang Ang is deemed interested in the 41,000,000 Shares held by Union Energy Corporation Pte Ltd, which he is the ultimate beneficial owner.

5. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Listing Manual, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested person and his associates shall not accept appointments as proxies in relation to such resolutions.

Accordingly, Mr. Ding, New Development and their respective associates, being interested persons under the Proposed Amendments to the Fengchi IOT Loan as an IPT will abstain and have undertaken to ensure that their associates will abstain, from voting their respective shareholdings in the Company on the Ordinary Resolution 2, and will not accept appointments

as proxies in relation to such resolution.

As at the Latest Practicable Date, to the best knowledge of the Company, the abstaining Shareholder is New Development and Mr. Ding Furu, with a collective shareholding interest of 72.99%. Please refer to section 4 (*Directors' and Substantial Shareholders' interests in the Company*) of this Circular for details of the shareholding interests.

6. DIRECTORS' RECOMMENDATIONS

6.1. The Proposed Ratification

The Directors, having considered, among others, the rationale for the Proposed Ratification as set out above in this Circular, are of the opinion that the Proposed Ratification is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 as set out in the Notice of EGM.

6.2. The Proposed Amendments to the Fengchi IOT Loan as an IPT

The Non-Interested Directors, having considered, among others, the terms and conditions, background to, rationale for and benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT, the opinion of the IFA, the opinion of the Audit and Risk Committee and all other relevant information set out in this Circular, are of the opinion that the Supplemental Agreement has been entered into on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and consequently the terms and conditions of the Amended Fengchi IOT Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of Ordinary Resolution 2 as set out in the Notice of EGM.

As stated above, Mr. Ding is an "**interested person**" under Chapter 9 of the Listing Manual in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT. Mr. Fan Bin and Ms. Bai Yun are nominated by New Development as executive Directors of the Company. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of the Ordinary Resolution 2 relating to the Proposed Amendments to the Fengchi IOT Loan as an IPT.

6.3. Note to Shareholders

Shareholders, in deciding whether to vote in favour of the Proposals, should carefully read the background to, rationale for and benefits of the Proposals. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who is in any doubt as to the course of action he/she/it should take or may require specific advice in relation to his/her/its specific investment objectives or portfolio should consult his/her/its bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691 on 7 August 2025 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1. Documents

This Circular, the Notice of EGM, the Proxy Form and Request From may be accessed on the SGXNet at the URL: https://www.sgx.com/securities/company-announcements, and on the

Company's website at the URL: https://thaivillagerestaurant.com.sg/investors.

Printed copies of this Circular will **not** be despatched to Shareholders, unless otherwise requested. The printed copies of the Notice of EGM, the Proxy Form and Request From have been despatched to Shareholders and are also available on the SGXNet at the URL: https://www.sgx.com/securities/company-announcements, and on the Company's website at the URL: https://thaivillagerestaurant.com.sg/investors.

To receive a printed copy of this Circular, Shareholders are to complete and return the Request Form to the Company by post to the registered office of the Company at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409, no later than 29 July 2025 in accordance with the instructions set out therein.

Minutes of the EGM will be provided within one (1) month after the EGM on SGXNet at the URL: https://www.sgx.com/securities/company-announcements.

8.2. Questions

Shareholders, including CPF Investors and SRS Investors, can submit questions in advance of the EGM.

Submission of substantial and relevant questions in advance of the EGM. Shareholders, including CPF Investors and SRS Investors, can submit substantial and relevant questions related to the resolution to be tabled for approval at the EGM to the Chairman of the Meeting, in advance of the EGM, in the following manner:

(a) if submitted by post, the instrument must be lodged with the Company's registered office at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409; and/or

(b) if submitted electronically, the instrument must be submitted via email to sg.is.proxy@vistra.com.

in each case, **by 9.00 a.m. on 31 July 2025 (being at least seven (7) calendar days from the date of the Notice of EGM)**. When sending in questions by post or email, please also include the following details: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

Shareholders (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies) can also ask live at the EGM substantial and relevant questions related to the resolution to be tabled for approval at the EGM by attending the EGM physically.

Addressing questions. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM by publishing the responses to such questions on SGXNet at the URL: https://www.sgx.com/securities/company-announcement before **9.00 a.m. on 2 August 2025** (being 48 hours prior to the closing date and time for lodgement of Proxy Form) (the "**Pre-EGM Reply**"). The Company will address those substantial and relevant questions which have not already been addressed in the Pre-EGM Reply, as well as those received live at the EGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the EGM on SGXNet at the URL: https://www.sgx.com/securities/company-announcements within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

8.3. Proxy Form

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy(ies) to attend, speak and vote on his/her/its behalf, he/she/it should complete, sign and return the Proxy Form in the

following manner:

(a) if submitted by post, the instrument must be lodged with the Company's registered office at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409; or

(b) if submitted electronically, the instrument must be submitted via email to sg.is.proxy@vistra.com,

in each case, **by 9.00 a.m. on 4 August 2025 (not less than 72 hours before the time appointed for holding the EGM)**.

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email will need to complete and sign the Proxy Form (which can also be downloaded from the SGXNet at the URL: https://www.sgx.com/securities/company-announcements and the Company's website at the URL: https://thaivillagerestaurant.com.sg/investors), before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

If no specific direction as to voting is given, in respect of a resolution, the appointed proxy(ies) will vote or abstain from voting at his/her/their discretion. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney. Persons who have an interest in the approval of the resolution must decline to accept their appointment as proxies unless the Shareholder concerned has specific instructions in his/her/its Proxy Form as to the manner in which his/her/its votes are to be cast in respect of such resolution.

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **by 9.00 a.m. on 4 August 2025**), as certified by CDP to the Company.

CPF Investors and SRS Investors (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **9.00 a.m. on 29 July 2025**), and such CPF Investor and/or SRS Investors shall be precluded from attending the EGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries and Fengchi IOT, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409 during normal business hours from

9.00 a.m. to 5.00 p.m. for three (3) months from the date of this Circular:

(a) the Fengchi IOT Loan Agreement;

(b) the Supplemental Agreement;

(c) the IFA Letter;

(d) the letter of consent referred to in section 3.7.3 (*Consent from the IFA*) of this Circular;

(e) the Shareholder Undertaking;

(f) the Constitution; and

(g) the AR2024.

Shareholders who wish to inspect these documents at the registered office of the Company are required to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect accordingly.

Yours faithfully

By Order of the Board
PAVILLON HOLDINGS LTD.

Fan Bin
Executive Chairman

23 July 2025

APPENDIX – IFA LETTER

NOVUS CORPORATE FINANCE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201723484W)

7 Temasek Boulevard
#04-02 Suntec Tower 1
Singapore 038987

23 July 2025

To: The Non-Interested Directors of Pavillon Holdings Ltd. (the "**Company**") (deemed to be independent in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT (as defined below))

Mr. Francis Lee Fook Wah
Mr. Kong WeiLi

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE PURSUANT TO RULE 921(4)(A) OF THE LISTING MANUAL IN RESPECT OF THE PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT (AS DEFINED HEREIN)

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*Unless otherwise defined or the context otherwise requires, all capitalised terms in this letter shall have the same meanings as defined in the circular dated 23 July 2025 (the "**Circular**") issued by the Company to the shareholders of the Company (the "**Shareholders**").*

1. INTRODUCTION

On 10 March 2022, the board of directors of the Company (the "**Board**" or the "**Directors**") announced that it had, on 9 March 2022, entered into a subscription agreement with New Development Hotel Management Pte. Ltd. ("**New Development**") in relation to the subscription of 1,047,218,560 new ordinary shares in the capital of the Company (the "**Subscription Shares**") by New Development (the "**New Development Share Subscription**"), for an aggregation subscription amount of approximately S$42.9 million (or equivalent to RMB200.0 million based on the exchange rate of S$1.00 to RMB4.6581 (the "**Agreed Exchange Rate**")) (the "**RMB Subscription Amount**"). The RMB Subscription Amount would be disbursed to Fengchi IOT Management Co., Ltd. ("**Fengchi IOT**") as a loan from the Company and its subsidiaries (the "**Group**"). The New Development Share Subscription and the proposed use of the RMB Subscription Amount were approved by Shareholders at the extraordinary general meeting ("**EGM**") convened by the Company on 5 August 2022 (the "**2022 EGM**").

On 8 August 2022, the Company entered into a loan agreement (the "**Fengchi IOT Loan Agreement**") with Fengchi IOT to extend the shareholder's loan at the RMB Subscription Amount, with an interest rate of 5.0% per annum and for a loan tenure of three (3) years (the "**Fengchi IOT Loan**"). Pursuant to the completion of the New Development Share Subscription, New Development became the controlling shareholder of the Company (the "**Controlling Shareholder**").

In view that the Fengchi IOT Loan will mature on 12 August 2025 (being 36 months from the first disbursement date of 12 August 2022), and after taken into consideration the loss-making financial performance, cash flow requirements of Fengchi IOT (including its business operations and repayment obligations in respect of the secured borrowings), the Company has agreed to vary certain terms of the Fengchi IOT Loan (the "**Amended Fengchi IOT Loan**"). These variations include an extension of the repayment term by an additional three (3) years to 12 August 2028. Accordingly, the loan tenure will be amended to a total of six (6) years from the initial disbursement date of 12 August 2022 (the "**Loan Tenure**"). Such variation of terms will be effected pursuant to, and subject to, the terms of the supplemental agreement to be entered into between the Company and Fengchi IOT (the "**Supplemental Agreement**") for the proposed amendments to the terms the Fengchi IOT Loan (the "**Proposed Amendments to the Fengchi IOT Loan as an IPT**").

The extension of the Loan Tenure is subject to (a) a revised interest rate of 6.0% per annum during the extended 3-year term (the "**Revised Interest Rate**"), and (b) the ability of the Company to request for the repayment of the accrued interests at the end of each financial year, subject to an assessment by the audit and risk committee of the Company (the "**Audit and Risk Committee**") with regards to the working capital requirements of Fengchi IOT in relation to Fengchi IOT's operations.

As at the Latest Practicable Date (as defined herein), 天津兰亭企业管理有限公司 (Tianjin Lanting Enterprise Management Co., Ltd.) (formerly known as Tianjin Pavillon Assets Management Co., Ltd.) ("**Tianjin Lanting**") and 上海六渝信息科技有限公司 (Shanghai Liuyu Information Technology Co., Ltd.) ("**Liuyu**") holds 49.0% and 51.0% equity interest in Fengchi IOT respectively. Tianjin Lanting is wholly owned by the Company, and Liuyu is wholly owned by Mr. Ding Furu ("**Mr. Ding**"). Mr. Ding is the Non-Executive and Non-Independent Director of the Company, and is also the sole shareholder and director of New Development, which holds a direct interest of 1,047,218,560 ordinary shares in the capital of the Company (the "**Shares**"). By virtue of the 1,047,218,560 Shares held by New Development and the 190,200 Shares held by Mr. Ding through UOB Kay Hian Private Limited, Mr. Ding is deemed to be interested in an aggregate of 1,047,408,760 Shares, representing 72.99% of the issued Shares in the Company as at the Latest Practicable Date. Accordingly, Fengchi IOT is regarded as an "associate" of Mr. Ding, and Mr. Ding and Fengchi IOT are regarded as "interested persons" under Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Consequently, the Proposed Amendments to the Fengchi IOT Loan as an IPT would constitute as an "interested person transaction" ("**IPT**") under Chapter 9 of the Listing Manual.

Pursuant to Rule 906 of the Listing Manual, the Company is required to obtain approval from Shareholders for any IPT of a value that is equal to or more than (a) 5.0% of the latest audited net tangible assets ("**NTA**") of the Group, or (b) 5.0% of the Group's latest NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. Taking into consideration the amount of and the terms of the Amended Fengchi IOT Loan (in particular, the additional tenure of three (3) years at a 6.0% interest rate per annum on a 360-day basis), the value of the interested person transaction arising from the Amended Fengchi IOT Loan would be approximately RMB236 million (or equivalent to approximately S$42.2 million based on the exchange rate of S$1: RMB5.59). The aggregate amount at risk in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT would therefore represent approximately 69.8% of the audited NTA of the Group as at 31 December 2024 (being the latest audited NTA of the Group amounting to approximately S$60.5 million). Accordingly, the Company will be seeking approval from Shareholders who are deemed independent of the Proposed Amendments to the Fengchi IOT Loan as an IPT (the "**Independent Shareholders**") at the EGM to be convened by the Company (the "**2025 EGM**").

Novus Corporate Finance Pte. Ltd. ("**NCF**") has been appointed as the independent financial adviser (the "**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual to provide an opinion as to whether the Proposed Amendments to the Fengchi IOT Loan as an IPT are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders.

This Letter (as defined herein) has been prepared pursuant to Rule 921(4)(a) of the Listing Manual and for the use by the Directors who are deemed to be independent for the purpose of making a recommendation on the Proposed Amendments to the Fengchi IOT Loan as an IPT (the "**Non-Interested Directors**"). This Letter sets out, *inter alia*, our evaluation of the Proposed Amendments to the Fengchi IOT as an IPT as well as our opinion thereon (the "**Letter**"), and forms part of the Circular which contain, *inter alia*, the terms and conditions of the Amended Fengchi IOT Loan and the recommendation of the Non-Interested Directors thereon.

2. TERMS OF REFERENCE

We have been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual and to provide an opinion in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT nor were we involved in the deliberations leading up to the decision of the Directors to undertake the Proposed Amendments to the Fengchi IOT Loan as an IPT. Accordingly, we do not, by this letter, warrant the merits of the Proposed Amendments to the Fengchi IOT Loan as an IPT other than to form an opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the Proposed Amendments to the Fengchi IOT Loan as an IPT are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders.

Our terms of reference do not require us to evaluate or comment on the legal, commercial or strategic merits of the Proposed Amendments to the Fengchi IOT Loan as an IPT. Such evaluations and comments are and remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on information provided and representations made, whether written or verbal, including relevant financial analyses, estimates and representations contained in the Circular, provided by the management of the Company (the "**Management**"), the Directors and the Company's solicitors. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or representations. We have nevertheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information and representations.

We have relied upon the assurances of the Directors (including those who may have been delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, that (a) all material information in connection with the Proposed Amendments to the Fengchi IOT Loan as an IPT, the Amended Fengchi IOT Loan, Fengchi IOT, the Company and/or the Group, has been disclosed to us; (b) such information is true, complete and accurate in all material aspects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT, the Amended Fengchi IOT Loan, Fengchi IOT, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors collectively and individually accept responsibility accordingly.

For the purpose of assessing the Proposed Amendments to the Fengchi IOT Loan as an IPT and reaching our conclusion thereon, we have not conducted a comprehensive independent review of the business, operations or financial condition of Fengchi IOT, the Company and/or the Group. We have also not relied upon any financial projections or forecasts in respect of Fengchi IOT, the Company and/or the Group. We are not required to express, and we do not express, any view on the growth prospects and earnings potential of Fengchi IOT, the Company and/or the Group in connection with our opinion in this Letter.

We are not required to, and have not made, any independent evaluation or appraisal of the assets and liabilities of Fengchi IOT, the Company and/or the Group. As such, we will be relying on the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of Fengchi IOT, the Company and/or the Group. We have also not been furnished with any such independent evaluation or appraisal.

Our analysis and opinion as set out in this Letter is based on the market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 15 July 2025 (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time, and we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Proposed Amendments to the Fengchi IOT Loan as an IPT which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Non-Interested Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and state no views, express or implied, on the contents of the Circular (other than this Letter).

Our opinion in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT, as set out in paragraph 5 of this Letter, should be considered in the context of the entirety of this letter and the Circular.

3. SALIENT INFORMATION IN RESPECT OF THE PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT

3.1 Background, Rationale for and Benefits of the Proposed Amendments to the Fengchi IOT Loan as an IPT

As disclosed in the circular dated 21 July 2022 (the "**Subscription Circular**"), Mr. Ding, through New Development, subscribed for 1,047,218,560 Subscription Shares in two (2) tranches on 12 August 2022 and 20 October 2022, becoming an indirect Controlling Shareholder with a shareholding interest of 72.99% in the Company.

Pursuant to the completion of the New Development Share Subscription as described in the Subscription Circular, the RMB Subscription Amount of RMB200 million (or equivalent to approximately S$42.9 million based on the Agreed Exchange Rate) was provided by the Company to Fengchi IOT as Fengchi IOT Loan for the following purposes:

(a) pay for the principal amounts of the bridging loans from shareholders of Fengchi IOT;

(b) pay for the final outstanding payments under the construction financing obtained for the multi-storey bonded warehouse, automotive warehouse showroom, automotive financial services centre and logistic network management centre with a total area of approximately 172,000 sqm (comprising an office building of approximately 21,000 sqm, an exhibition area of approximately 19,000 sqm and a warehouse area of approximately 132,000 sqm), in Dongjian Port Area in Tianjin, People's Republic of China ("**PRC**") (the "**Tianjin Logistics Hub**"); and

(c) finance the remaining instalment amounts and interest payments under a bank loan secured by Fengchi IOT for the construction of the Tianjin Logistics Hub (the "**Bank Loan**") for FY2022,

(collectively, the "**Use of the New Development Share Subscription Proceeds**").

The Use of the New Development Share Subscription Proceeds was approved as an interested person transaction at the 2022 EGM. Subsequent to which, the Company had on 8 August 2022 entered into the Fengchi IOT Loan Agreement. The Fengchi IOT Loan was fully utilised accordingly.

In relation to the operations of Fengchi IOT, the Group has managed to increase the occupancy rates at the car garage at the Tianjin Logistics Hub with its efforts and remains committed to increasing average occupancy rates in the office property and exhibition hall at the Tianjin Logistics Hub. Notwithstanding, it is notable that such efforts have been and remain dependent on the state of the economy of the PRC (taking into consideration the trade barriers and tensions over trade and technology between the PRC and the United States).

As at 30 June 2025, the Tianjin Logistics Hub has the following average occupancy rate:

Average occupancy rate		
Car garage	:	100.0%
Office property	:	17.25%
Exhibition hall	:	8.0%

As at the Latest Practicable Date, Fengchi IOT has not recorded any profit since the commencement of the operations of the Tianjin Logistics Hub in the first half of 2021 and accordingly, it has a negative rental yield. As at the Latest Practicable Date, Fengchi IOT is generating sufficient income and cashflow to sustain its business and operating expenses (but not for the repayment of any loan principal and interest amount under its outstanding borrowings).

As at the Latest Practicable Date, Fengchi IOT has not achieved the optimal average occupancy rate for the Tianjin Logistics Hub to become profitable and as set out in section 3.1 of the Circular, Fengchi IOT had not generated sufficient revenue to repay its outstanding borrowings for the financial year ended 31 December 2022 ("**FY2022**"), 31 December 2023 ("**FY2023**") and 31 December 2024 ("**FY2024**"). As a reference, Fengchi IOT recognised revenue of approximately S$3.34 million in FY2024, representing only approximately 6.9% of Fengchi IOT's current liabilities of approximately S$48.6 million as at 31 December 2024.

Further details of the historical financial performance and position of Fengchi IOT as well as its' existing outstanding borrowings as at 30 June 2025 are set out in section 3.1 of the Circular, and Shareholders are advised to read the information carefully.

As the operations of Fengchi IOT have not been able to meet the profitability and cashflow projections, Fengchi IOT is unable to repay the Fengchi IOT Loan as (a) the income and cashflow currently generated by Fengchi IOT is only sufficient to sustain its operating expenses; and (b) Fengchi IOT remains dependent on the continued financial support and commitment from Mr. Ding and his associated companies and the Group to meet its repayment obligations under the other Fengchi IOT's loans extended by unrelated parties. Fengchi IOT will not be able to operate as a going concern (and/or repay its outstanding borrowings) without such continued financial support.

Fengchi IOT is currently the subsidiary of the Company following in the consolidation in FY2024. Therefore, the Directors would therefore have greater oversight over Fengchi IOT's financial affairs and have the discretions to assess and request for the repayment of the accrued and outstanding interest expenses, after the assessment of Fengchi IOT's working capital requirements pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT.

Accordingly, in light of the maturity date of the Fengchi IOT Loan Agreement on 12 August 2025 (being 36 months from the first disbursement date of 12 August 2022), the Company having taken into consideration the loss-making financial performance and the cash flow requirements of Fengchi IOT (including for its business operations and repayment obligations in respect of the secured borrowings), has agreed to extend the tenure of the Fengchi IOT Loan for a further three (3) years to 12 August 2028, being a total tenure of six (6) years from the first disbursement date of 12 August 2022, pursuant and subject to the terms of the Supplemental Agreement. The extension of the tenure of the Fengchi IOT Loan is subject to (a) the Revised Interest Rate of 6.0% per annum during the extended tenure; and (b) the ability for the Company to request for repayment of the accrued interests at the end of each financial year, subject to an assessment by the Audit and Risk Committee of the Company with regards to the working capital requirements of Fengchi IOT in relation to Fengchi IOT's operations.

The Proposed Amendments to the Fengchi IOT Loan as an IPT as contemplated by the Supplemental Agreement is intended to provide greater financial flexibility for Fengchi IOT to grow and strengthen its existing business operations, and generate revenue in its Tianjin Logistics Hub, which may then be used to repay its outstanding liabilities.

Accordingly, after taking into consideration the purpose for the Proposed Amendments to the Fengchi IOT Loan as an IPT, the Group is of the view that the entry into the Supplemental Agreement is to the benefit of the Group and is not prejudicial to the interests of the Independent Shareholders. Further details of the views of the Audit and Risk Committee and the Non-Interested Directors have been set out in sections 3.6 and 6.2 of the Circular.

3.2 Key Terms of the Amended Fengchi IOT Loan

As at the Latest Practicable Date, save as disclosed below, it is envisaged that the amendment contemplated under the Supplemental Agreement will maintain the principal terms of the Fengchi IOT Loan Agreement which were approved by Shareholders at the 2022 EGM. The principal terms of the Amended Fengchi IOT Loan Agreement are summarised below:

Principal amount	:	RMB 200 million.
Lender	:	The Company.
Borrower	:	Fengchi IOT.
Tenure	:	The entire Fengchi IOT Loan and all interest accrued thereon must be repaid within six (6) years from the first disbursement date, or at such other time as may be mutually agreed by the parties (the "**Loan Tenure**")(1).
Interest rate	:	Interest shall be payable on the Fengchi IOT Loan at a rate of 5.0% per annum for the first three (3) years of the tenure and 6.0% per annum for the remaining three (3) years of the tenure (the "**Interest**")(2). Interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed from the relevant disbursement date until repayment. Subject to Clause 3.5 of the Fengchi IOT Loan Agreement (as reproduced below), Interest shall accrue on the basis of a year of 360 days and shall be payable by Fengchi IOT to the Company on the last day of the tenure (the "**Interest Payment Date**")(3).

If Fengchi IOT fails to pay any amount under the Fengchi IOT Loan Agreement on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at the Revised Interest Rate of 6.0% per annum.

So long as any amount of the Fengchi IOT Loan remains outstanding, the Company shall be entitled to the repayment by Fengchi IOT before the Interest Payment Date, of any accrued and outstanding interest for any financial year, provided that the Company shall issue a written notice informing Fengchi IOT of (a) the quantum of accrued Interest to be repaid; and (b) the repayment date, which shall be after the end of the relevant financial year for which the Interest has accrued(4).

Security : The Fengchi IOT Loan is unsecured.

Use of Proceeds : As at the Latest Practicable Date, the Fengchi IOT Loan has been fully drawn down, with its proceeds used as follows in accordance with the original terms of the Fengchi IOT Loan Agreement:

(a) the repayment of principal amounts of the bridging loans of RMB16.0 million as provided by the shareholders of Fengchi IOT;

(b) the repayment of the final outstanding payments of RMB166.9 million to 浙江中成建工集团有限公司 (Zhejiang Zhong Cheng Construction Group Co. Ltd) under the financing arrangements secured by Fengchi IOT for the construction costs incurred for the Tianjin Logistics Hub; and

(c) the financing of the remaining instalment amounts and interest payments for FY2022 under the Bank Loan.

Notes:

(1) Under the Fengchi IOT Loan Agreement, the entire Fengchi IOT Loan and all interest accrued thereon must be repaid within 36 months from the first disbursement date. Pursuant to the Supplemental Agreement, the tenure of the Fengchi IOT Loan is proposed to be extended to a period of six (6) years from the first disbursement date.

(2) The interest payable on the Fengchi IOT Loan under the Fengchi IOT Loan Agreement was at a rate of 5.0% per annum. The Supplemental Agreement amends the interest payable to 5.0% per annum for the first three (3) years and 6.0% per annum for the remaining three (3) years of the Loan Tenure.

(3) Pursuant to the Supplemental Agreement, this will now be subject to the new Clause 3.5 to be inserted in the Fengchi IOT Loan Agreement, which states, among others, that the Company shall be entitled to the repayment by Fengchi IOT before the Interest Payment Date of any accrued and outstanding interest.

(4) This is extracted from the new Clause 3.5 in the Fengchi IOT Loan Agreement which has been inserted to provide that the Company shall be entitled to the repayment by Fengchi IOT before the Interest Payment Date of any accrued and outstanding interest.

(5) In light of the loss-making financial performance and cash flow requirements of Fengchi IOT necessary to sustain its business and operations, the Company has agreed to amend the terms of the Fengchi IOT Loan pursuant to the Supplemental Agreement and as stated in notes (1) to (4) above. The inclusion of the new Clause 3.5 is to provide the Company with flexibility to request for repayment of any accrued and outstanding interest, subject to an assessment by the Audit and Risk Committee of the Company with regards to the working capital requirements of Fengchi IOT in relation to Fengchi IOT's operations.

4. EVALUATION OF THE PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT

In our evaluation of the Proposed Amendments to the Fengchi IOT Loan as an IPT, we have considered the following factors which we consider to be pertinent and have a significant bearing on our assessment:

(a) the rationale for, and benefits of, the Proposed Amendments to the Fengchi IOT Loan as an IPT;

(b) the historical financial performance and position of the Group and Fengchi IOT;

(c) the comparison with the key terms of the existing indebtedness of the Group;

(d) the comparison with the other loan(s) extended by the Group to Fengchi IOT;

(e) the comparison with the loan prime rate ("**LPR**") in the PRC;

(f) the reference made to selected past transactions involving the provision of loans by companies listed on the SGX-ST;

(g) the comparison with the financial support provided by Mr. Ding and/or his associated companies; and

(h) other relevant considerations.

4.1 Rationale for, and benefits of, the Proposed Amendments to the Fengchi IOT Loan as an IPT

The full text of the rationale for, and benefits of, the Proposed Amendments to the Fengchi IOT Loan as an IPT has been set out in section 3.1 of the Circular, and Shareholders are advised to read the information carefully. A summary of the key considerations has been set out as follows:

(a) Fengchi IOT remains committed to increase the average occupancy rates at the Tianjin Logistics Hub, where such efforts have been and remain dependent on the state of the economy of the PRC (taking into consideration the trade barriers and tensions over trade and technology between the PRC and the United States);

(b) the Company has taken into consideration the loss-making financial performance, cash flow requirements of Fengchi IOT (including for its business operations and repayment obligations in respect of the secured borrowings) as well as that Fengchi IOT remains dependent on the continued financial support and commitment from Mr. Ding and his associated companies and the Group to meet its repayment obligations under the other Fengchi IOT's loans extended by unrelated parties, in particular, that Fengchi IOT is generating sufficient income and cashflow only to sustain its business and operating expenses; and

(c) the Proposed Amendments to the Fengchi IOT Loan as an IPT as contemplated by the Supplemental Agreement is intended to provide greater financial flexibility for Fengchi IOT to grow and strengthen its business operations and generate revenue in its Tianjin Logistics Hub, which may then be used to repay its outstanding liabilities.

After taking into consideration the purpose for the Proposed Amendments to the Fengchi IOT Loan as an IPT, the Group is of the view that the entry into the Supplemental Agreement is to the benefit of the Group and is not prejudicial to the interests of the Independent Shareholders.

4.2 Historical financial performance and position of the Group and Fengchi IOT

4.2.1 Historical financial performance and position of the Group

A summary of the audited historical financial information of the Group for FY2022, FY2023 and FY2024 are set out below and should be read in conjunction with the full text of the Group's consolidated financial statements for FY2022, FY2023 and FY2024[1] in respect of the relevant financial years, including the notes thereto:

Consolidated statement of comprehensive income

	----------Audited----------		
S$'000	**FY2022**	**FY2023**	**FY2024**
Revenue	16,309	17,957	17,630
Profit/(loss) before income tax	1,854	(4,341)	1,732(1)
Profit/(loss) after income tax	1,760	(4,699)	1,440
Profit/(loss) attributable to equity holders of the Company	(674)	(4,661)	3,256

Sources: *Annual reports of the Company for FY2023 and FY2024*

Note:

(1) Includes the fair value loss of properties under Fengchi IOT amounting to approximately S$2.8 million which was recognised pursuant to the consolidation of Fengchi IOT as a subsidiary of the Group since May 2024.

FY2022 vs FY2023

The Group's revenue increased by approximately S$1.7 million or 10.1% from approximately S$16.3 million in FY2022 to approximately S$18.0 million in FY2023, mainly due to the improvement of the Group's food and beverage segment in Singapore (the "**Food and Beverage Business**") on the back of higher business volumes and efficient cost management of the restaurant operations.

The Group recorded a loss before tax of approximately S$4.3 million in FY2023 *vis-à-vis* a profit before tax of approximately S$1.9 million in FY2022. This was mainly due to the recognition of the losses from associated companies in FY2023 as compared to the recognition of profits from associated companies in FY2022, which was primarily attributable to a lower valuation of Fengchi IOT being recorded in FY2023 as a result of the weaker rental rates at the Tianjin Logistics Hub amidst poor market conditions. The loss was partially offset by an increase in the revenue as well as interest income and other income recognised in FY2023 primarily due to an increase in government grants, a gain on disposal of motor vehicles and a decrease in total expenses in relation to (a) raw materials and changes in inventories as a result of better cost management of raw materials, (b) employee compensation mainly due to the streamlined operations and a reduction in the number of employees in the PRC, (c) currency exchange loss as a result of slower depreciation of RMB against SGD with the currency translation in relation to the RMB-denominated loans provided to the Group's associated companies, and (d) other operating expenses such as service charge and deposits forfeited which was recorded in FY2022.

[1] In FY2024, the Management assessed that the change in the composition of the Board resulted in the substantial shareholder of the Company, through its representatives on the Board and shareholding in the Company, obtaining the authority to direct the relevant activities of the Group. As a result, the Group effectively controls Fengchi IOT and Daju Logistics (Tianjin) Co., Ltd. ("**Daju**"), through the 49.0% equity interest held by the Group, together with the remaining 51.0% equity interest held by an entity wholly owned by the substantial shareholder of the Company. Accordingly, Fengchi IOT and Daju, which were previously accounted as associated companies of the Group, have been recognised as subsidiaries of the Group since May 2024 (the "**Consolidation**").

Taking into account the income tax and loss attributable to non-controlling interests in FY2023, the Group recognised a loss attributable to equity holders of the Company of approximately S$4.7 million in FY2023 *vis-à-vis* a loss attributable to equity holders of the Company of approximately S$0.7 million in FY2022.

FY2023 vs FY2024

The Group's revenue decreased by approximately S$0.4 million or 1.8% from approximately S$18.0 million in FY2023 to approximately S$17.6 million in FY2024, mainly due to a decrease in revenue from restaurant operations.

The Group recognised a profit before tax of approximately S$1.7 million in FY2024 *vis-à-vis* a loss before tax of approximately S$4.7 million in FY2023. This was mainly due to an increase in other income in FY2024 primarily as a result of an increase in government grants received, gains from the disposal of a motor vehicle, dividend income and interest waiver from a third party following the early settlement of the loan, and a decrease in (a) raw materials and changes in inventories as a result of a decrease in sales, (b) currency exchange loss, and (c) share of loss of associated companies as a result of the Consolidation, which were partially offset by (i) a decrease in interest income from bank deposits and associated companies as a result of the Consolidation, resulting in the elimination of interest income received from associated companies, (ii) an increase in employee compensation following the Consolidation, (iii) the recognition of a fair value loss on investment properties under Fengchi IOT following the Consolidation, (iv) an increase in finance expenses as a result of the Consolidation, and (v) an increase in other operating expenses as a result of, amongst others, the impact of gaining control of Fengchi IOT, an increase in service charge on rental, printing and stationery expenses as well as general insurance expenses.

Taking into account the income tax and loss attributable to non-controlling interests in FY2024, the Group recognised a profit attributable to equity holders of the Company of approximately S$3.3 million in FY2024 *vis-à-vis* a loss attributable to equity holders of the Company of approximately S$4.7 million in FY2023.

Statement of financial position

	----------Audited----------		
S$'000	**As at 31 December 2022**	**As at 31 December 2023**	**As at 31 December 2024**
Current assets	6,881	8,450	11,823
Current liabilities	5,242	5,275	15,230
Working capital	1,639	3,175	(3,407)(1)
Non-current assets	59,121	53,712	106,404
Non-current liabilities	2,063	2,159	42,503
Equity attributable to equity holders of the Company	54,125	49,379	52,514
Non-controlling interests	4,572	5,349	7,980
Total equity	58,697	54,728	60,494

Sources: *Annual reports of the Company for FY2023 and FY2024*

Note:

(1) The negative working capital position of the Group as at 31 December 2024 was primarily due the Consolidation as Fengchi IOT is in a negative working capital position.

Equity

The Group's equity attributable to equity holders of the Company amounted to approximately S$54.1 million, S$49.4 million and S$52.5 million as at 31 December 2022, 31 December 2023 and 31 December 2024 respectively.

Assets

As at 31 December 2024, the Group recorded total assets amounting to approximately S$118.2 million, comprising current assets of approximately S$11.8 million and non-current assets of approximately S$106.4 million.

The current assets comprise (a) cash and cash equivalents of approximately S$7.8 million, (b) trade and other receivables of approximately S$1.0 million and (c) inventories of approximately of S$3.0 million

The non-current assets comprise (a) other receivables of approximately S$0.9 million, (b) financial asset in relation to the equity interests held in Lingbao Gold Group Co., Ltd ("**Lingbao**"), a public listed company on the Hong Kong Stock Exchange of approximately S$5.4 million, (c) property, plant and equipment of approximately S$2.1 million and (d) investment properties located at Tianjin, the PRC of approximately S$98.0 million.

Liabilities

As at 31 December 2024, the Group recorded total liabilities amounting to approximately S$57.7 million, comprising current liabilities of approximately S$15.2 million and non-current liabilities of approximately S$42.5 million.

The current liabilities comprise (a) trade and other payables of approximately S$7.1 million which included an amount due to related party of approximately S$3.6 million, (b) contract liabilities of approximately S$0.10 million, (c) current income tax liabilities of approximately S$0.4 million and (d) borrowings of approximately S$7.6 million.

The non-current liabilities comprise (a) trade and other payables of approximately S$1.0 million which primarily consisted of an amount due to related party which is unsecured, interest-free and repayable in full by 14 November 2028, (b) borrowings of approximately S$40.7 million, which primarily consisted of loans provided by the immediate and ultimate holding corporation of approximately S$20.5 million and bank borrowings of approximately S$19.9 million, (c) provisions of approximately S$0.3 million and (d) deferred tax liabilities of approximately S$0.5 million.

Working capital

In respect of the above, the Group had recorded a working capital of approximately S$1.6 million and S$3.2 million as at 31 December 2022 and 31 December 2023 respectively, as well as a negative working capital of approximately S$3.4 million as at 31 December 2024. Based on our discussion with the Management, we understand that the Group's negative working capital as at 31 December 2024 was primarily attributable to the effects of the Consolidation in FY2024, as a result of the negative working capital position of Fengchi IOT.

Excluding Fengchi IOT, the Group's existing business operations, in particular, the Food and Beverage Business would remain in a positive working capital position. As set out in section 3.1 of the Circular, Fengchi IOT's income and cashflow generated is only sufficient to sustain its operating expenses, and with the continued financial support from Mr. Ding and his associated companies and the Group, Fengchi IOT will be able to meet its repayment obligations to the existing unrelated third-party creditors.

As set out in the Company's FY2024 annual report (the "**FY2024 AR**"), the Directors assessed that the use of going concern basis of preparation for the financial statements of the Group are appropriate after taking into consideration the following:

(a) the related party will not seek for immediate repayment for the unsecured and interest-free advances provided to the Group amounting to approximately S$3.6 million within the next 12 months from the end of the reporting period, in order to enable the Group to continue its operation as a going concern and to meet its liabilities as and when they fall due;

(b) the unsecured and interest-bearing loan from a related party amounting to approximately S$0.9 million classified under current liabilities has been extended to 31 December 2027, subsequent to the end of the reporting period; and

(c) the Group also has undrawn borrowing facilities from immediate and ultimate holding corporation amounting to approximately S$45.7 million.

We understand from the Company that the aforementioned advances, loans and borrowing facilities were provided by Mr. Ding's associated companies, and that such financial support provided was for the use of Fengchi IOT. Such loan facilities are further elaborated in paragraph 4.3 of this Letter.

Consolidated statement of cash flows

	----------Audited----------		
S$'000	**FY2022**	**FY2023**	**FY2024**
Net cash flows generated from operating activities	1,119	3,413	3,082
Net cash flows generated from/(used in) investing activities	(45,140)	997	996
Net cash flows generated from/(used in) financing activities	40,886	(1,784)	(2,038)
Net increase/(decrease) in cash and cash equivalents	(3,135)	2,606	2,040
Cash and cash equivalents at the end of financial year	3,187	5,748	7,788

Sources: *Annual reports of the Company for FY2023 and FY2024*

The Group recorded net cash generated from operating activities of approximately S$1.1 million, S$3.4 million and S$3.1 million for FY2022, FY2023 and FY2024 respectively.

In respect of FY2024, the Group recognised (a) net cash generated from operating activities of S$3.1 million in FY2024 mainly contributed by the Food and Beverage Business in Singapore, (b) net cash generated from investing activities of approximately S$1.0 million in FY2024 mainly due to net cash inflow from the gain of control over associated companies, and (c) net cash used in financing activities of approximately S$2.0 million in FY2024 mainly due to the repayment of borrowings and loans of Fengchi IOT.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of S$2.0 million in FY2024. Consequently, taking into account the cash and cash equivalents at beginning of the year of approximately S$5.7 million, the cash and cash equivalents stood at S$7.8 million at the end of FY2024.

4.2.2 Historical financial performance and position of Fengchi IOT

A summary of the audited historical financial information of Fengchi IOT[2,3] for FY2022, FY2023 and FY2024, are set out below:

Income statement of Fengchi IOT

	----------Audited----------		
S$'000	**FY2022**	**FY2023**	**FY2024**
Revenue	5,376	3,104	3,342
Other income	52	77	1,302
Total expenses	(10,912)	(6,594)	(5,045)
- Interest expenses	(4,379)	(4,568)	(3,371)
Fair value gain/(loss) on investment property	17,193	(11,398)	(2,751)
Net profit/(loss) before tax	11,709	(14,810)	(3,152)
Net profit/(loss) after tax	11,709	(14,810)	(3,152)
Total comprehensive income/(loss), representing net profit/(loss)	11,709	(14,810)	(3,152)
Total comprehensive income/(loss), after excluding fair value gain/(loss) on investment property	(5,484)	(3,412)	(401)

Source: *Audited financial statements of Fengchi IOT for FY2023 and FY2024, and adjustments as provided by the Company*

FY2022 vs FY2023

Fengchi IOT's revenue decreased by approximately S$2.3 million or 42.3% from approximately S$5.4 million in FY2022 to approximately S$3.1 million in FY2023, mainly due to the low utilisation of capacity and coupled with a decrease in rent rate of the Tianjin Logistics Hub amidst the poor economic and market conditions within the PRC.

Fengchi IOT recorded a net loss before and after tax of approximately S$14.8 million in FY2023 *vis-à-vis* a profit before and after tax of approximately S$11.7 million in FY2022. The net loss in FY2023 was mainly attributed to a fair value loss on investment property of approximately S$11.4 million in FY2023 arising from the decrease in rental rates, in particular, for the office and exhibition areas. In comparison, Fengchi IOT had recognised a fair value gain on investment property of approximately S$17.2 million in FY2022.

Excluding the fair value gain and fair value loss on investment property of approximately S$17.2 million and S$11.4 million in FY2022 and FY2023 respectively, Fengchi IOT had recorded a decrease in total comprehensive loss of approximately S$2.1 million or 37.8% from S$5.5 million in FY2022 to approximately S$3.4 million in FY2023 mainly attributed to the decrease in total operating expenses in FY2023.

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2 For the avoidance of doubt, the historical financial results of Fengchi IOT set out under paragraph 4.2.2 of this Letter does not include the financial results of its wholly-owned subsidiary, Tianjin Fengyu Corporate Secretarial Co., Ltd ("**Tianjin Fengyu**"). We have enquired with the Management and note that the financial performance and position of Tianjin Fengyu does not have a material impact to Fengchi's IOT and the Group. Solely for illustrative purposes, the revenue and net profit after tax of Tianjin Fengyu in FY2024 amounted to approximately S$5,970 and S$5,660 respectively. As at 31 December 2024, the net liability of Tianjin Fengyu amounted to approximately S$10,800.

3 The financial figures presented above have not been adjusted for any inter-company eliminations.

FY2023 vs FY2024

Fengchi IOT's revenue increased by approximately S$0.2 million or 7.7% from approximately S$3.1 million in FY2023 to approximately S$3.3 million in FY2024, mainly due to an increase in occupancy rates at the Tianjin Logistics Hub which was partially offset by the lower rental rates offered to improve its occupancy rates amidst the economic conditions in the PRC. The occupancy rates for Tianjin Logistics Hub for FY2023 and FY2024 are as follows:

Average occupancy rates		
	FY2023	**FY2024**
Car warehouse	40.20%	88.15%
Exhibition area	16.00%	16.00%
Office spaces[4]	16.09%	15.18%

Source: *The Company*

In FY2024, Fengchi IOT recognised a decrease in loss before and after tax of approximately S$11.7 million or 78.7% from a loss before and after tax of approximately S$14.8 million in FY2023 to a loss before and after tax of approximately S$3.2 million in FY2024. The decrease in loss before and after tax in FY2024 was mainly due to (i) an increase in other income arising from the reversal of interest expense following the waiver of interest granted by 东奉集团有限公司 (Dongfeng Group Co., Ltd.) for the financing loan provided to Fengchi IOT (the "**First 3P Financing**"), (ii) a decrease in total expenses of as a result of (a) cost-saving measures implemented to the operations, (b) a decrease in interest expenses primarily due to the settlement of certain bank borrowings and changes to refinancing arrangements which were undertaken during FY2024, and (c) a decrease in fair value loss on investment property.

Excluding the fair value loss on investment property of approximately S$2.8 million, Fengchi IOT recorded a decrease in total comprehensive loss of approximately S$3.0 million or 88.2% from a total comprehensive loss of approximately S$3.4 million in FY2023 to approximately S$0.4 million in FY2024.

Statement of financial position of Fengchi IOT

	----------Audited----------		
S$'000	**As at 31 December 2022**	**As at 31 December 2023**	**As at 31 December 2024**
Current assets	8,923	1,307	1,926
Current liabilities	(59,850)	(46,102)	(48,587)
Working capital	(50,927)	(44,795)	(46,661)
Non-current assets	116,633	100,789	98,588
Non-current liabilities	(39,251)	(45,275)	(44,376)
Total equity	26,455	10,719	7,551

Source: *Audited financial statements of Fengchi IOT for FY2023 and FY2024, and adjustments as provided by the Company*

Equity

Fengchi IOT's total equity amounted to approximately S$26.5 million, S$10.7 million and S$7.6 million as at 31 December 2022, 31 December 2023 and 31 December 2024 respectively.

[4] As at the Latest Practicable Date, Daju, which is a 49.0%-owned subsidiary of the Company, is also leasing an office area of approximately 16,800 sqm within the Tianjin Logistics Hub for its operations.

Assets

As at 31 December 2024, Fengchi IOT recorded total assets amounting to approximately S$100.5 million, comprising current assets of approximately S$1.9 million and non-current assets of approximately S$98.6 million.

The current assets comprise (a) cash and cash equivalents of approximately S$1.1 million, and (b) trade and other receivables of approximately S$0.9 million.

The non-current assets comprise (a) investment properties of approximately S$98.0 million, being the Tianjin Logistics Hub, (b) trade and other receivables of approximately S$0.5 million, and (c) property, plant and equipment of approximately S$0.1 million.

Liabilities

As at 31 December 2024, Fengchi IOT recorded total liabilities amounting to approximately S$93.0 million, comprising current liabilities of approximately S$48.6 million and non-current liabilities of approximately S$44.4 million.

The current liabilities comprise (a) trade and other payables of approximately S$0.8 million, (b) short-term loans comprising (i) the amounts outstanding under the Fengchi IOT Loan of approximately S$41.5 million, (ii) the interest-free loans and advances from Liuyu of approximately S$3.4 million, and (iii) the amount outstanding under the unsecured short-term financing loan extended by New Development (the "**Short-Term Financing Loan**") of approximately S$0.9 million, which, subsequent to 31 December 2024, the loan tenure had been extended to 31 December 2027, and (iv) borrowings of approximately S$5.4 million, which relate to the remaining interests payable under the First 3P Financing and the current portion of the Existing PRC Mortgage Lease (as defined below) and the Second 3P Financing (as defined below). For the avoidance of doubt, the tenure of the First 3P Financing was between November 2022 and December 2024 and was secured by the Tianjin Logistics Hub.

As at 31 December 2024, the principal amounts under the First 3P Financing was fully repaid and the outstanding balance relates solely to accrued interest. As at the Latest Practicable Date, the Group is currently in discussion with the lender of the First 3P Financing to agree on a resolution on the repayment of the outstanding interest amount. No default interest shall be accrued on such outstanding interest amount.

The non-current liabilities comprise (a) the amount due to New Development of approximately S$20.5 million, following the drawn down of the unsecured interest-bearing loan of RMB300.0 million loan extended to Fengchi IOT in 2024 (the "**New Development 2024 Fengchi Loan**") and (b) borrowings of approximately S$23.9 million which relate to the non-current portion of the Existing PRC Mortgage Lease and the Second 3P Financing. Further details of the existing indebtedness of Fengchi IOT have been set out in section 3.1 of the Circular and paragraph 4.3 of this Letter, and Shareholders are advised to read the information carefully.

Working capital

In respect of the above, Fengchi IOT had recorded a negative working capital of approximately S$50.9 million, S$44.8 million and S$46.7 million as at 31 December 2022, 31 December 2023 and 31 December 2024 respectively.

The negative working capital of approximately S$46.7 million as at 31 December 2024 was primarily attributable to (a) the Fengchi IOT Loan of approximately S$41.5 million, (b) the interest-free loans and advances extended by Liuyu to Fengchi IOT of approximately S$3.4 million, as well as (c) borrowings related to (i) the current portions of the Existing PRC Mortgage Lease and the Second 3P Financing, (ii) the Short-Term Financing Loan, and (iii) interests outstanding under the First 3P Financing, which accounted for approximately S$6.3 million of Fengchi IOT's current liabilities, coupled with the limited cash balances of Fengchi IOT as at 31 December 2024.

Notwithstanding the negative working capital position, the Management confirms that Fengchi IOT is able to continue as a going concern taking into consideration, (a) the remaining undrawn balances of approximately RMB187.5 million under the New Development 2024 Fengchi Loan extended by New Development to, among others, support its working capital requirements, (b) Fengchi IOT is generating sufficient income and cash flow to sustain its operating expenses, (c) the reclassification of the outstanding amounts arising from the short-term financing loan extended by New Development of approximately S$0.9 million from current to non-current liabilities following an extension on the maturity date to 31 December 2027 subsequent to FY2024, and (d) the undertaking from Liuyu to not seek for immediate repayment for the unsecured and interest-free loans and advances provided to Fengchi IOT amounting to approximately S$3.4 million within the next 12 months from the date of the issuance of the Company's FY2024 AR. Pursuant to a supplemental agreement entered into between Liuyu and Fengchi IOT on 30 June 2025 (the "**Liuyu Supplemental Agreement**"), the repayment date of the unsecured and interest-free loans and advances provided by Liuyu to Fengchi IOT have been further extended to 31 January 2029 (the "**Liuyu Extension**").

Adjustments to the current liabilities of Fengchi IOT

In view of the above, and solely for illustrative purposes, adjustments have been made to reflect the reclassification of certain current liabilities to non-current liabilities arising from the following:

(a) an undertaking provided by Liuyu not to seek immediate repayment of the unsecured and interest-free advances and loans amounting to approximately S$3.4 million for a period of 12 months from the date of the Company's FY2024 AR as well as the Liuyu Extension pursuant to the Liuyu Supplemental Agreement, and the extension of the maturity date of the unsecured Short-Term Financing Loan extended by New Development amounting to approximately S$0.9 million to 31 December 2027 (the "**First Adjustments**"); and

(b) assuming the receipt of the Independent Shareholders' approval, the Fengchi IOT Loan amounting to approximately S$41.5 million would be reclassified as a non-current liability pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT (the "**Second Adjustment**").

S$'000	Audited as at 31 December 2024	The First Adjustments	After the First Adjustments	The Second Adjustment	After the Second Adjustment
Current assets	1,926		1,926		1,926
Current liabilities	(48,587)	4,291	(44,296)	41,517	(2,779)
Working Capital	**(46,661)**		**(42,370)**		**(853)**
Non-current assets	98,588		98,588		98,588
Non-current liabilities	(44,376)	(4,291)	(48,667)	(41,517)	(90,184)
Total equity	**7,551**		**7,551**		**7,551**

Note: Any discrepancy in the listed amounts and the totals thereof are due to rounding differences.

As set out above, the working capital of Fengchi IOT would be reduced by approximately S$4.3 million and S$41.5 million respectively, to approximately S$42.4 million and S$0.9 million pursuant to the First Adjustments and the Second Adjustment respectively. Accordingly, the Proposed Amendments to the Fengchi IOT Loan as an IPT is expected to alleviate Fengchi IOT's short-term debt repayment obligations and Fengchi IOT would have greater financial flexibility to strengthen its business operations without facing immediate liquidity pressures.

As set out in the Company's full-year unaudited financial results announcement for FY2024, the Company had stated in the commentary statement that despite the uncertainties in the economic outlook in the PRC impacting the parallel import car sector, the Company would continue to optimise operations and explore strategic opportunities for performance enhancement.

4.3 Comparison with the Key Terms of the Existing Indebtedness of the Group

The Company extended the Fengchi IOT Loan of RMB200.0 million with an interest rate of 5.0% per annum and a tenure of three (3) years to Fengchi IOT in 2022. Taking into consideration the loss-making financial performance and the cash flow requirements of Fengchi IOT (including for its business operations and repayment obligations in respect of the secured borrowings) as well as the greater financial flexibility that Fengchi IOT needs to grow and strengthen its existing business operations and generate revenue in its Tianjin Logistics Hub, the Company had agreed to extend the loan tenure of the Fengchi IOT Loan by an additional three (3) years to 12 August 2028 pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT. For the avoidance of doubt, the Proposed Amendments to the Fengchi IOT Loan as an IPT does not involve any additional cash outlay or additional loan disbursements to Fengchi IOT.

The Fengchi IOT Loan was first approved by the Shareholders at the 2022 EGM[5]. Shareholders should note that subject to the approval of the Independent Shareholders on the Proposed Amendments to the Fengchi IOT Loan as an IPT, the interest payable on the Fengchi IOT Loan by Fengchi IOT would remain at a rate of 5.0% per annum for the first three (3) years of the Loan Tenure and the Revised Interest Rate of 6.0% per annum for the remaining three (3) years of the Loan Tenure, with the Loan Tenure commencing from the first disbursement date of 12 August 2022.

Based on our discussions with the Management, we understand that the indebtedness of the Group comprises loans denominated in Singapore dollars (the "**Group's SGD Loans**") and loans denominated in Chinese Renminbi, which were extended to Fengchi IOT by unrelated and/or related parties (the "**Fengchi IOT's RMB Loans**") as at the Latest Practicable Date (collectively, the "**Group's Existing Loans**"). Accordingly, in evaluating whether the Proposed Amendments of the Fengchi IOT Loan as an IPT are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders, we have compared the key terms of the Amended Fengchi IOT Loan against the terms of the Group's Existing Loans as at the Latest Practicable Date as follows:

(a) a comparison of the key terms of the Amended Fengchi IOT Loan with those of the Group's SGD Loans. Shareholders should note that the Group's SGD Loans are denominated in a different currency as the Amended Fengchi IOT Loan, and the determination of interest rates may be influenced by, among others, varying macroeconomic and financial factors. Accordingly, the comparison of the interest rate between the Amended Fengchi IOT Loan and the Group's SGD Loans is provided solely for illustrative purposes only; and

(b) a comparison of the key terms of the Amended Fengchi IOT Loan with those of the Fengchi IOT's RMB Loans.

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[5] Further details of the entry into the Fengchi IOT Loan Agreement in 2022 has been set out in the Subscription Circular issued by the Company to Shareholders on 21 July 2022.

Shareholders should note that the following analysis is solely for illustrative purposes only, as the general market conditions at the time of grant of each of the Group's Existing Loans would have been different from the prevailing market conditions, and the terms offered for each of the Group's Existing Loans would have been dependent on various considerations by the relevant lender at the time of granting the loans. Such considerations would include, but not be limited to, the lender's capital structure, size and scale of operations, geographical spread, lending strategy, cost of funds, supply of funds, risk management parameters, assessment of the general market conditions and interest rate environment and the composition and quality of the borrower's security and guarantee (if any).

The table below sets out a comparison of the key terms of the Fengchi IOT Loan *vis-à-vis* the Group's Existing Loans as at Latest Practicable Date:

The Group's Existing Loans as at Latest Practicable Date	Principal amount ('000)	Tenure	Average daily outstanding loan balance (excluding interest) ('000)[1]	Interest amount for the year ('000)[2]	Nominal interest rate (per annum)	Effective interest rate (per annum)[3]	Security and/or guarantee	Default interest rate (per annum)
The Group's SGD Loans								
The Group's SGD Loans from unrelated parties								
Secured temporary bridging loan[4]	S$1,000	5 years from August 2021	S$258.93	S$9.73	3.75%	3.81%	Corporate Guarantee by the Company	3.50% over the prescribed rate is chargeable on the overdue instalment
The Group's SGD Loans from related party								
Unsecured loan facility (the "**New Development 2024 Company Loan**")	S$10,000	8 years from date of draw down	N.A.[5]	N.A.[5]	5.00%	N.A.[5]	No security	No default interest imposed

High	3.81%
Weighted mean[6]	3.81%
Low	3.81%

The Group's Existing Loans as at Latest Practicable Date	Principal amount ('000)	Tenure	Average daily outstanding loan balance (excluding interest) ('000)[1]	Interest amount for the year ('000)[2]	Nominal interest rate (per annum)	Effective interest rate (per annum)[3]	Security and/or guarantee	Default interest rate (per annum)
The Fengchi IOT's RMB Loans								
The Fengchi IOT's RMB Loans from unrelated parties								
Secured mortgage lease facility (the "**Existing PRC Mortgage Lease**")	RMB50,000	3 years from September 2023	RMB23,755	RMB1,308	5-year PRC loan prime rate plus 1.60% (equivalent to 5.20%[7] as at the Latest Practicable Date)	5.50%	Secured by fixed equipment of Fengchi IOT and two (2) properties in Shanghai, PRC owned by Mr. Ding.	0.05% per day on outstanding loan amounts, equivalent to approximately 18.00% per annum
Secured financing loan (the "**Second 3P Financing**")	RMB100,000	8 years from March 2024	RMB95,594	RMB5,279	5.40%	5.52%	Secured by the Tianjin Logistics Hub and a joint and several liability corporate guarantee from New Development.	Charged at a rate equivalent to 50.00% above the nominal annual interest rate on the outstanding amounts (or at 8.10% per annum), compounded daily
The Fengchi IOT's RMB Loans from related parties								
Unsecured short-term financing loan (the "**Short-Term Financing Loan**)	RMB20,000	6 years from December 2021 [8]	RMB3,000	RMB150	5.00%[8]	5.00%	No security and guarantee provided	No default interest imposed

The Group's Existing Loans as at Latest Practicable Date	Principal amount ('000)	Tenure	Average daily outstanding loan balance (excluding interest) ('000)[1]	Interest amount for the year ('000)[2]	Nominal interest rate (per annum)	Effective interest rate (per annum)[3]	Security and/or guarantee	Default interest rate (per annum)
Unsecured New Development 2024 Fengchi Loan	RMB300,000	8 years from September 2024	RMB110,549[9]	RMB5,528	5.00%	5.00%	No security	No default interest imposed
Unsecured short-term financing loan (the "**Liuyu Loan**")	RMB6,600	Approximately 5 years[10]	RMB6,600	N.A.	Interest-free	Interest-free[11]	No security	No default interest imposed
Unsecured short-term loan advances (the "**2024 Liuyu Loan Advances**")	RMB11,500	Approximately 5 years[10]	RMB11,500	N.A.	Interest-free	Interest-free[11]	No security	No default interest imposed
					High	5.52%		
					Weighted mean[6]	5.27%		
					Low	5.00%		
Amended Fengchi IOT Loan	**RMB200,000**	**6 years from first disbursement date**				**6.00%[12]**	**No security**	**No default interest imposed**

Notes:

(1) Computed based on the average loan balances in accordance with the loan repayment schedules for FY2025 as provided by the Company.

(2) The interest amount represents the amount of interest accrued or to be paid in FY2025 as computed by the Company in accordance with the respective loan schedules.

(3) The effective interest rates are computed by dividing the total interest expenses, as provided by the Company in accordance with the respective loan repayment schedules, by the average daily outstanding loan balance for FY2025.

(4) Granted under Enterprise Financing Scheme administered by Enterprise Singapore.

(5) N.A. denotes not applicable, as the New Development 2024 Company Loan of S$10.0 million has not been drawn down by the Company as at the Latest Practicable Date. Accordingly, no interest has begun to accrue or is expected to be repaid.

(6) Based on the respective average outstanding balances of the Group's Existing Loans in accordance with the loan repayment schedules for FY2025 as provided by the Company.

(7) The nominal interest rate per annum of the Existing PRC Mortgage Lease is based on the five-year PRC LPR plus 1.60%, and is subject to annual adjustment in accordance with the last published LPR of each calendar year. As at the Latest Practicable Date, the interest rate for the Existing PRC Mortgage Lease is 5.20% per annum.

(8) The Short-Term Financing Loan was initially due to mature in July 2022. Pursuant to the completion of the New Development Share Subscription, on 30 October 2022, a supplemental agreement was entered into to, among others, extend the tenure of the Short-Term Financing Loan to 31 December 2024 and revise the interest rate from 8.0% to 5.0% per annum with effect from 13 October 2022. A further supplemental agreement was entered into on 17 December 2024 to further extend the tenure by an additional three (3) years. Accordingly, the Short-Term Financing Loan bears an interest rate of 5.0% per annum and matures in December 2027.

(9) The Company has drawn down approximately RMB112.5 million under the New Development 2024 Fengchi Loan, and approximately RMB187.5 million remains available for draw down as at the Latest Practicable Date.

(10) The Liuyu Loan and the 2024 Liuyu Loan Advances were provided to Fengchi IOT by Liuyu over the period of (a) March 2024 to June 2024 and (b) July 2024 to December 2024 respectively. Pursuant to the Liuyu Supplemental Agreement, the loan tenure of the Liuyu Loan and the 2024 Liuyu Loan Advances (as the case may be) have been extended to 31 January 2029.

(11) Excluded the interest-free loans in the computation of the high, low and weighted mean of the effective interest rate per annum.

(12) Based on the Revised Interest Rate of 6.0% per annum, which shall be applicable during the extended three (3) years of the 6-year Loan Tenure.

4.3.1 Interest rates

Comparison of the interest rate under the Amended Fengchi IOT Loan vis-à-vis the interest-bearing Group's SGD Loans

We note that the Revised Interest Rate under the Amended Fengchi IOT Loan of 6.0% per annum is:

(a) above both the effective interest rate and weighted mean interest rate of 3.81% of the Group's SGD Loans; and

(b) above the nominal interest rate of 5.00% of the New Development 2024 Company Loan extended by the related party.

Comparison of the interest rate under the Amended Fengchi IOT Loan vis-à-vis the interest-bearing Fengchi IOT's RMB Loans

We note that the Revised Interest Rate under the Amended Fengchi IOT Loan of 6.0% per annum is:

(a) above the range of effective interest rates of 5.00% and 5.52% of the Fengchi IOT's RMB Loans, and is above the weighted mean interest rate of 5.27% of the Fengchi IOT's RMB Loans;

(b) above the range of effective interest rates of 5.50% and 5.52% of the Fengchi IOT's RMB Loans from the unrelated parties; and

(c) above the effective interest rate of 5.00% of the Fengchi IOT's RMB Loans from the related parties.

4.3.2 Security and/or guarantee provided

Pursuant to the Fengchi IOT Loan, no security, charge, or mortgage over assets was required to be provided by Fengchi IOT to the Company when the Fengchi IOT Loan was approved by Independent Shareholders at the 2022 EGM.

In this regard, we note the following:

(a) taking into consideration that Fengchi IOT has been recognised as the Group's subsidiary following the Consolidation in FY2024, such key term remains unchanged under the Proposed Amendments to the Fengchi IOT Loan as an IPT;

(b) in comparison with the Group's SGD Loans, we note that the Company had provided a corporate guarantee for the secured temporary bridging loan granted by an unrelated party, and no securities or guarantees were granted by the Company for the New Development 2024 Company Loan provided by the related party;

(c) in comparison with the Fengchi IOT's RMB Loans, we note that Fengchi IOT had provided securities and corporate guarantees for the two (2) secured bank facilities granted by unrelated parties. No securities or guarantees were granted by Fengchi IOT to the other Fengchi IOT's RMB Loans provided by the related parties; and

(d) in respect of the Fengchi IOT's RMB Loans provided by unrelated parties, we note that Mr. Ding and/or his associated companies (being the related parties) had also provided securities and/or corporate guarantees (as the case may be) to the respective unrelated lenders. As a comparison, the Company had not provided any similar corporate guarantees or securities in relation to these loans.

4.3.3 Other key terms of the indebtedness

We note that certain of the Group's Existing Loans impose a default interest in the event of a repayment default, with the interest rates ranging from 3.50% to 18.00% per annum. The default interest rates in respect of the Group's SGD Loans and the Fengchi IOT's RMB Loans are as follows:

(a) in respect of the Group's SGD Loans, the default interest rate for the secured temporary bridging loan extended by an unrelated party is 3.50% per annum, and no default interest is chargeable under the New Development 2024 Company Loan extended by the related party; and

(b) in respect of the Fengchi IOT's RMB Loans, the default interest rate for Fengchi IOT's RMB Loans extended by unrelated parties range from 8.10% to 18.00% per annum, and no default interest rate is chargeable under the loans extended by the related parties, being the Short-Term Financing Loan, the Liuyu Loan, the 2024 Liuyu Advances, and the New Development 2024 Fengchi Loan.

While we note that the Company does not impose such default interest rate under the Amended Fengchi IOT Loan, the Fengchi IOT Loan approved at the 2022 EGM, the New Development 2024 Company Loan and the other Fengchi IOT's RMB Loans extended by related parties likewise did not impose such default interest rate on Fengchi IOT. For the avoidance of doubt, Interest shall continue to accrue on the outstanding amount under the Amended Fengchi IOT Loan at the Revised Interest Rate in the event of a repayment default, from the maturity date and up to the date of actual repayment.

Additionally, the Management has confirmed that there have been no event of defaults in connection with the Group's Existing Loans, and Fengchi IOT has not incurred any default interest expenses or other related fees in connection to the Group's Existing Loans as at the Latest Practicable Date.

4.4 Comparison with the other loan(s) extended by the Group to Fengchi IOT

The Company owns 75.98% shareholding interest in Tianjin Lanting Leasing Co., Ltd., which wholly-owns Tianjin Yixing Intelligent Washing Technology Co., Ltd. ("**Tianjin Yixing**"). In November 2024, Tianjin Yixing had extended an unsecured inter-company loan amounting to RMB4.0 million to Fengchi IOT (the "**Inter-Company Loan**") for the purposes of general working capital and corporate expenses. The Inter-Company Loan bears interest at a rate of 5.0% per annum, has a tenure of three (3) years, and does not impose default interest in an event of a repayment default. As a comparison, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is above the 5.0% per annum interest rate applicable to the Inter-Company Loan.

4.5 Comparison with the LPR in the PRC

In the assessment of the Revised Interest Rate under the Amended Fengchi IOT Loan, we have considered the latest LPR published by the People's Bank of China ("**PBOC**") as at the Latest Practicable Date, as set out below:

Published LPR	
Tenure	Interest Rate
One-year loan	3.0%
Five-year loan	3.5%

Source: The website of the PBOC

Based on the above, we note that the interest rate of 6.0% per annum under the Amended Fengchi IOT Loan is above the prevailing one-year and five-year LPR of 3.0% and 3.5% respectively, as published by the PBOC as at the Latest Practicable Date.

Shareholders should note that the LPR is a market-based benchmark lending rate published by the PBOC and reflects the preferential lending interest rate that commercial banks in the PRC offer to their prime borrowers. This is more commonly referred to as the prime lending rates in Singapore. It should be noted that the individual lending commercial banks may offer rates of varying levels based on their own credit assessments of the borrowers. As such, the comparison made with the LPR above is necessarily limited and serves purely as an illustrative purpose only and may not reflect fully the interest rates that would be offered to borrowers with differing credit profiles.

4.6 Reference made to selected past transactions involving the provision of loans by companies listed on the SGX-ST

For the purposes of evaluating the key terms of the Amended Fengchi IOT Loan as an interested person transaction, we have made reference to the latest respective annual reports of companies listed on the SGX-ST (excluding real estate and business trusts), as announced during the period between 1 January 2024 and as at the Latest Practicable Date, with market capitalisation of up to S$500.0 million and have derived revenue from the PRC, either partially or in full, and which have reported the provision of loans and/or financial assistance to their associated companies and/or subsidiaries (the "**Reference Transactions**").

We wish to highlight that the list of Reference Transactions is by no means exhaustive and information relating to the said companies are compiled from publicly available information. In addition, the key terms of the Reference Transactions provided vary in different circumstances and may be dependent on, *inter alia*, the amount and tenure of loans and/or credit facilities obtained, the requirements and cost of funds of the lenders, the size and nature of business, the nature of underlying assets and creditworthiness of the recipients of the loans, the financial performance and condition of the borrowers, the prevailing market conditions and interest rate environment at the time of grant of the loans as well as the general economic and business sentiments.

In addition, the Company and Fengchi IOT are not directly comparable to the companies involved in the Reference Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, accounting policies, financial performance, operating and financial leverage, asset base, risk profile, track record, future prospects and other relevant criteria. As such, Shareholders and the Non-Interested Directors should note that any comparison made with respect to the Reference Transactions is intended to serve as an illustrative guide only and each of the Reference Transactions must be judged on its own commercial and financial merits.

Name of the companies	Outstanding amounts from the subsidiaries and/or associated companies[1]	Key terms of the Reference Transactions[1]
Abundance International Limited ("**Abundance**")	US$703,000 due from Zhangjiagang Orient-hill Microorganisms Technology Co., Ltd. ("**Orient-hill**"), a 30% owned associate of Abundance as at 31 December 2024.	The loan is unsecured, bears an interest rate of 6.0% per annum and is repayable within one year from the loan drawdown dates. The loan repayment dates may be subject to extension with mutual agreement between the parties. The loan is repayable within 12 months from the reporting date.
Zhongmin Baihui Retail Group Ltd. ("**Zhongmin Baihui**")	RMB28,147,548 due from a subsidiary of Zhongmin Baihui, representing the loan and accrued interest receivable by Zhongmin Baihui as at 30 June 2024.	The loan is unsecured, bears an interest rate of 3.8% per annum and is repayable on demand.
Sunpower Group Ltd.	RMB114,000,000 due from a subsidiary as at 31 December 2024.	The loan is unsecured, interest-free, and is due for repayment on 28 February 2025.
Grand Venture Technology Ltd.	S$8,012,000 due from subsidiaries as at 31 December 2024.	Loans to subsidiaries amounting to S$4,900,000, classified as current liabilities are unsecured, repayable on demand, and bear an interest rate of 3.0% per annum. Loans to subsidiaries amounting to S$3,112,000, classified as non-current liabilities are unsecured, repayable on demand, and bear an interest rate of 3.0% per annum.
Nanofilm Technologies International Ltd.	S$3,595,000 due from subsidiaries as at 31 December 2024.	Loan to a subsidiary amounting to S$1,295,000 is unsecured, bears an interest rate of 3.0% per annum and is repayable on 1 January 2026. Loan to a subsidiary amounting to S$2,300,000 is unsecured, interest-free and is repayable on 31 December 2027.
Advanced Holdings Ltd.	S$4,954,000 due from a subsidiary as at 31 December 2024.	The loans are unsecured, interest-free and are not repayable within 12 months after 31 December 2024.

Note:

(1) Information was extracted from the respective companies' latest annual reports, as announced and published on SGXNet.

Based on the above table, we note that:

(a) similar to the Amended Fengchi IOT Loan which is unsecured in nature, all the Reference Transactions are also unsecured in nature; and

(b) save for the interest-free loans under the Reference Transactions, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is at the higher end of the range of the interest rates of the Reference Transactions of between 3.00% to 6.00% per annum.

4.7 Comparison with the financial support provided by Mr. Ding and/or his associated companies

Fengchi IOT is 49.0% owned by Tianjin Lanting, a wholly-owned subsidiary of the Company, and Liuyu holds the remaining shareholding interest of 51.0% in Fengchi IOT as at the Latest Practicable Date. Liuyu is wholly owned by Mr. Ding, who is the Non-Executive and Non-Independent Director and Controlling Shareholder of the Company.

In evaluating whether the Proposed Amendments of the Fengchi IOT Loan as an IPT are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders, we have also considered the key terms of the Amended Fengchi IOT Loan *vis-a-vis* the key terms of the Fengchi IOT's RMB Loans extended by Mr. Ding and/or his associated companies (the "**Related Party Loans**").

Based on our discussions with the Management, we understand that each of the Related Party Loans is unsecured, and that for the interest-bearing Related Party Loans, the accrued interest expenses are repayable only upon maturity of the respective loan tenures. Further details of the Related Party Loans are set out as follows:

Year	Description of loan	Principal (RMB'000)	Tenure	Interest rate (per annum)	Status
Related Party Loans provided by Mr.Ding and/or his associated companies					
2021	Short-Term Financing Loan	20,000	6 years[(1)]	5.0%[(1)]	Outstanding
2022	Bridging loan from shareholders of Fengchi IOT	8,160[(2)]	Repayable upon completion of the New Development Share Subscription	5.0%	Repaid
2024	Liuyu Loan	6,600	Approximately 5 years[(3)]	Interest-free	Outstanding
2024	2024 Liuyu Loan Advances	11,500	Approximately 5 years[(3)]	Interest-free	Outstanding
2024	New Development 2024 Fengchi Loan	300,000	8 years	5.0%	Outstanding
	Total Related Party Loans	**346,260**			
Loans provided by the Company					
2022	Bridging loan from shareholders of Fengchi IOT	7,840[(2)]	Repayable upon completion of the New Development Share Subscription	5.0%	Repaid
2022	Fengchi IOT Loan[(4)]	200,000	3 years	5.0%	Outstanding
2024	Inter-Company Loan	4,000	3 years	5.0%	Outstanding
	Total loans provided by the Company	**211,840**			

Notes:

(1) The Short-Term Financing Loan was initially due to mature in July 2022. Pursuant to the completion of the New Development Share Subscription, on 30 October 2022, a supplemental agreement was entered into to, among others, extend the tenure of the Short-Term Financing Loan to 31 December 2024 and revise the interest rate from 8.0% to 5.0% per annum with effect from 13 October 2022. A further supplemental agreement was entered into on 17 December 2024 to further extend the loan tenure by an additional three (3) years. Accordingly, the Short-Term Financing Loan bears an interest rate of 5.0% per annum and matures in December 2027.

(2) Out of the total RMB16.0 million bridging loan extended to Fengchi IOT, the Company had extended approximately RMB7.8 million to Fengchi IOT, in proportion to its shareholding interests in Fengchi IOT, and the remaining amount of RMB8.2 million was contributed by an associated company of Mr. Ding.

(3) The Liuyu Loan and the 2024 Liuyu Loan Advances were provided to Fengchi IOT by Liuyu over the period of (a) March 2024 to June 2024 and (b) July 2024 to December 2024 respectively. Pursuant to the Liuyu Supplemental Agreement, the loan tenure of the Liuyu Loan and the 2024 Liuyu Loan Advances (as the case may be) have been extended to 31 January 2029.

(4) Subject to the Independent Shareholders' approval, the interest payable under the Amended Fengchi IOT Loan by Fengchi IOT would remain at a rate of 5.0% per annum for the first three (3) years of the Loan Tenure and at the Revised Interest Rate of 6.0% per annum for the remaining three (3) years of the Loan Tenure, with the Loan Tenure commencing from the first disbursement date of 12 August 2022. For avoidance of doubt, there is no additional cash outlay or additional disbursement to be given by the Company to Fengchi IOT under the Proposed Amendment to the Fengchi IOT Loan as an IPT.

Based on the above, we note the following:

(a) save for the Fengchi IOT Loan and the Inter-Company Loan, there are no other loans extended by the Group to Fengchi IOT as at the Latest Practicable Date;

(b) the Revised Interest Rate of 6.0% per annum on the Amended Fengchi IOT Loan is above the interest rates of 5.0% per annum of each of the interest-bearing Related Party Loans;

(c) save for the bridging loan from the Fengchi IOT's shareholders of which the repayment of loan was upon the completion of the New Development Share Subscription, the Loan Tenure of six (6) years under the Amended Fengchi IOT Loan is within the range of the loan tenures under the other Related Party Loans of between approximately five (5) years and eight (8) years;

(d) the total loans or financial support provided by Mr. Ding and his associated companies to Fengchi IOT amounted to approximately RMB346.3 million, which (i) represents 62.04% of the aggregate of the Related Party Loans and the loans or financial assistance extended by the Group to Fengchi IOT, amounting to approximately RMB211.8 million, and (ii) exceeded Mr. Ding's proportionate shareholding interest of 51.0% in Fengchi IOT (held through Liuyu); and

(e) the repayment term for the principal and accrued interest expenses for the Related Party Loans is similar to the repayment terms of the Amended Fengchi IOT Loan.

In addition to the above, we understand from the Company that Fengchi IOT had obtained the Bank Loan in 2019, which was fully repaid as at the Latest Practicable Date. The Bank Loan was secured and guaranteed by (a) a joint and several guarantees from shareholders of the Fengchi IOT, (b) the Tianjin Logistics Hub, and (c) assets from Mr. Ding's personal investment portfolio, including his hotel properties. Save as disclosed, there were other no parent corporate guarantees or other securities provided by the Company in respect of the Bank Loan.

In view of the foregoing, we note that Mr. Ding and/or his associated companies have been providing ongoing financial support to Fengchi IOT's businesses since the end of 2021. In addition, New Development (an associated company of Mr. Ding) had, in 2024, had extended the New Development 2024 Fengchi Loan amounting to RMB300.0 million, to Fengchi IOT, which was approved by the Independent Shareholders at the EGM convened by the Company on 13 August 2024 (the "**2024 EGM**"). Mr. Ding, through Liuyu, had also provided an undertaking to not demand repayment of the interest-free Liuyu Loan and the 2024 Liuyu Loan Advances for a period of 12 months from 28 March 2025, being the date of the issuance of the Company's FY2024 AR as well as granted the Liuyu Extension pursuant to the Liuyu Supplemental Agreement. These actions are expected to enable Fengchi IOT to, among others, repay its existing major loans from unrelated third-party lenders, thereby reducing its overall indebtedness and improving its financial position.

4.8 OTHER RELEVANT CONSIDERATIONS

4.8.1 Status of the New Development 2024 Fengchi Loan

The Company had sought for, and obtained, the Independent Shareholders' approval for the New Development 2024 Fengchi Loan amounting to RMB300.0 million at the 2024 EGM. The proposed use of proceeds for the New Development 2024 Fengchi Loan was primarily intended for, among others, the repayment of the major Fengchi IOT's RMB Loans. Further details of the key terms of the New Development 2024 Fengchi Loan had been set out in paragraph 4.3 of this Letter.

As at the Latest Practicable Date, Fengchi IOT had drawn down approximately RMB112.5 million of the New Development 2024 Loan for the full principal repayment of an unrelated third-party loan. The purpose and use of proceeds for the New Development 2024 Fengchi Loan are set out as follows:

Purpose	Proposed use of proceeds as approved at the 2024 EGM	Proceeds utilised as at the Latest Practicable Date	Remaining amount to be utilised
Full repayment of the outstanding amount under the First 3P Financing	Up to RMB129 million	RMB112.5 million	RMB16.5 million
Repayment of the Second 3P Financing in accordance with the repayment terms of the Second 3P Financing(1)	Up to RMB100 million	Nil	Up to RMB100 million
Capital expenditure for Fengchi IOT	Up to an aggregate of RMB27 million	Nil	Up to an aggregate of RMB27 million
Repayment of the Liuyu Loan	RMB 6.6 million	Nil	RMB6.6 million
Working capital for trading of parallel import cars by Fengchi IOT	Up to RMB 37.4 million	Nil	Up to RMB37.4 million
Total	**RMB300.0 million**	**RMB112.5 million**	**RMB187.5 million**

Note:

(1) Fengchi IOT had used RMB4.0 million from the interest-free Liuyu Loan to repay a portion of the Second 3P Financing.

Based on our discussions with the Management, we note that, notwithstanding that approximately RMB187.5 million under the New Development 2024 Fengchi Loan has not been drawn down by the Company as at the Latest Practicable Date, it would not be appropriate for Fengchi IOT to utilise the available funds for the settlement of the Fengchi IOT Loan, given that the New Development 2024 Fengchi Loan are to be used for the aforementioned purposes as approved by the Independent Shareholders at the 2024 EGM.

4.8.2 No additional cash outlay provided by the Group

As set out in section 3.3 of the Circular, the proceeds from the Fengchi IOT Loan of RMB200.0 million had been utilised in full. The Proposed Amendments to the Fengchi IOT Loan as an IPT does not constitute a new loan that requires any further cash outlay by the Group to Fengchi IOT.

Pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT, the loan tenure would be extended by an additional three (3) years with the interest rate revising from 5.0% to 6.0% per annum during the extended Loan Tenure. The amount outstanding under the Amended Fengchi IOT Loan would be approximately RMB266.0 million at the end of the Loan Tenure. Barring any unforeseen circumstances, the Company confirms that it is the intention of Fengchi IOT to repay the Fengchi IOT Loan by the end of the Loan Tenure, and it is expected that the outstanding amount would be settled by Fengchi IOT through the income generated from its operations.

As at the Latest Practicable Date, based on the current financial performance and the operations of Fengchi IOT and the loans available for drawdown by Fengchi IOT and barring any unforeseen circumstances, it is not anticipated that the Company will need to provide additional financial support or funding to Fengchi IOT. Notwithstanding the foregoing, we understand from the Management that should any potential business opportunities arise that may contribute positively to the financial performance of Fengchi IOT and enhance the Shareholder values, the Company does not preclude and will assess, at the appropriate time, on whether any additional financial support or funding should be provided by the Company.

4.8.3 Limited viable corporate structuring and financing alternatives

We understand that the Directors had conducted a review of the Company's investment in Fengchi IOT, and had considered, *inter alia*, the following prior to arriving at the decision for the Proposed Amendments to the Fengchi IOT Loan as an IPT:

(a) the difficulties in obtaining new loans from other banks and financial institutions on favourable terms to refinance the Fengchi IOT Loan, without potentially detrimental terms and restrictions on the Group and its operations, taking into consideration Fengchi IOT's existing financial circumstances and the limitation of available collateral in view that the Tianjin Logistics Hub has been pledged as a security for the Fengchi IOT's RMB Loans, namely, the Existing PRC Mortgage Lease and the Second 3P Financing;

(b) Fengchi IOT is currently unable to repay the Fengchi IOT Loan as (i) the income and cashflow currently generated by Fengchi IOT is only sufficient to sustain its operating expenses, and (ii) Fengchi IOT remains dependent on the continued financial support and commitment from Mr. Ding and his associated companies as well as the Group to meet its repayment obligations under the other Fengchi IOT's RMB Loans extended by the unrelated parties, as set out in paragraph 4.3 of this Letter.

(c) in the event of a default on the secured loans, the secured creditors may enforce their rights over the securities and/or guarantees provided under the respective loan agreements which could potentially trigger a forced disposal of the Tianjin Logistics Hub. We understand from the Company that the net proceeds arising from such a sale enforced by the secured creditors may not reflect the full market value of the Tianjin Logistics Hub due to, amongst others, the prevailing market conditions and the expedited nature associated with such enforcement sales.

In the event that Tianjin Logistics Hub is seized or disposed through the enforcement actions of secured creditors as mentioned above, this would result in the operations of the Group's logistics business segment being severely disrupted or cease to continue, which could ultimately result in a loss of the Group's investment in Fengchi IOT and its logistics business segment; and

(d) the Company had discussed and explored on opportunities in relation to the divestment of its 49.0% shareholding interest in Fengchi IOT as well as seeking interest from potential buyers in the acquisition of Tianjin Logstics Hub to ensure that the Company and Shareholders' interests are maximised, and the Directors have confirmed that, prior to and as at the Latest Practicable Date, no formal offers or proposals had been received from any third parties to acquire the Company's 49.0% interest in Fengchi IOT or the Tianjin Logistics Hub.

4.8.4 Extension of support to Fengchi IOT as a subsidiary of the Company

Based on our discussion with the Company, in addition to the reasons set out in paragraph 4.8.3 of this Letter, we understand that the Directors have also considered the following in arriving at the decision for the Proposed Amendments to the Fengchi IOT Loan as an IPT:

(a) Fengchi IOT is currently the subsidiary of the Company following the Consolidation in FY2024. The Directors would therefore have greater oversight over Fengchi IOT's financial affairs and have the discretion to assess and request for the repayment of the accrued and outstanding interest expenses, after the assessment of Fengchi IOT's working capital requirements pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT;

(b) the Proposed Amendments to the Fengchi IOT Loan as an IPT would provide Fengchi IOT with greater financial flexibility to strengthen its existing business operations; and

(c) the improved financial performance of Fengchi IOT in the latest financial year as well as the current financial performance and condition of the other business of the Group.

4.8.5 Status of the New Development 2024 Company Loan

In August 2024, the Company had sought the Shareholders' approval for the New Development 2024 Company Loan amounting to S$10.0 million, for the purposes of (a) capital expenditure for the Group's Food and Beverage Business (such as the renovation of its restaurants), (b) potential investments into new businesses, and (c) general working capital of the Group.

As at the Latest Practicable Date, the Company has not drawn down the New Development 2024 Company Loan as no capital expenditure is currently required for the Group's operations and/or investment into new business that is in the best interest of the Company. In addition, the Company does not require additional funding for working capital purposes, as the Group's Food and Beverage Business remains profitable and continues to sustain its operations through its internal resources.

4.8.6 Abstention from voting in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT

As set out in section 5 of the Circular, Mr. Ding, New Development and their respective associates are considered to be interested persons under Chapter 9 of the Listing Manual in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT, and accordingly, will abstain, and have undertaken to ensure that their associates will abstain, from voting their respective shareholdings in the Company on the resolution in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT, and will not accept appointments as proxies in relation to such resolution.

5. OPINION

In arriving at our opinion in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT, we have considered, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

(a) the rationale for, and benefits of, the Proposed Amendments to the Fengchi IOT Loan as an IPT which includes, amongst others, (i) the commitment of Fengchi IOT to increase the average occupancy rates at the Tianjin Logistics Hub, (ii) the loss-making financial performance, cash flow requirements of Fengchi IOT (including for its business operations and repayment obligations in respect of the secured borrowings) as well as Fengchi IOT remains dependent on the financial support from Mr. Ding and his associated companies and the Group, and (iii) greater financial flexibility for Fengchi IOT to grow and strengthen its business operations and generate revenue in its Tianjin Logistics Hub;

(b) the historical financial performance and position of the Group which includes (i) the recognition of a profit attributable to equity holders of the Company of approximately S$3.3 million in FY2024 in FY2024 *vis-à-vis* a loss attributable to equity holders of the Company of approximately S$0.7 million and S$4.7 million in FY2022 and FY2023 respectively, and (ii) the working capital of the Group of approximately S$1.6 million and S$3.2 million as at 31 December 2022 and 31 December 2023 respectively *vis-a-vis* the negative working capital of approximately S$3.4 million as at 31 December 2024, mainly due to effects of the Consolidation in FY2024 as a result of the negative working capital position of Fengchi IOT;

(c) the historical financial performance and position of Fengchi IOT which includes (i) the recognition of a net profit after tax of approximately S$11.7 million in FY2022 *vis-à-vis* a net loss after tax of approximately S$14.8 million and S$3.2 million in FY2023 and FY2024 respectively, and (ii) a negative working capital of approximately S$50.9 million, S$44.8 million and S$46.7 million as at 31 December 2022, 31 December 2023 and 31 December 2024 respectively;

(d) the improvement to Fengchi IOT's working capital position as at 31 December 2024 from a deficit of approximately S$46.7 million to a deficit of approximately S$0.9 million after taking into account the First Adjustments and the Second Adjustment. The illustrated improvement in working capital position is expected to alleviate Fengchi IOT's short-term debt repayment obligations and Fengchi IOT would have greater financial flexibility to strengthen its business operations without facing immediate liquidity pressures;

(e) in comparison with the key terms of the existing indebtedness of the Group:

(i) the Revised Interest Rate under the Amended Fengchi IOT Loan of 6.0% per annum is above (A) both the effective interest rate and weighted mean interest rate of 3.81% of the Group's SGD Loans, and (B) the nominal interest rate of 5.00% of the New Development 2024 Company Loan;

(ii) the Revised Interest Rate under the Amended Fengchi IOT Loan of 6.0% per annum is above (A) the range of effective interest rates of 5.00% and 5.52% of the Fengchi IOT's RMB Loans, (B) the weighted mean interest rate of 5.27% of the Fengchi IOT's RMB Loans, (C) above the range of effective interest rates of 5.50% and 5.52% of the Fengchi IOT's RMB Loans from the unrelated parties, and (D) above the effective interest rate of 5.00% of the Fengchi IOT's RMB Loans from the related parties;

(iii) the Company does not require any security, charge or mortgage over assets under the Amended Fengchi IOT Loan, which is similar to the terms of the other Fengchi IOT's RMB Loans and the Group's SGD Loans provided by Mr. Ding and/or his associated companies to Fengchi IOT and the Company respectively, notwithstanding that Fengchi IOT had provided securities and corporate guarantees for the two (2) secured bank facilities provided by unrelated parties, and that the Company had provided a corporate guarantee for the Group's SGD Loans; and

(iv) the Amended Fengchi IOT Loan does not provide for a default interest rate which is similar to the Fengchi IOT's RMB Loans and the Group's SGD Loans extended by the related parties to Fengchi IOT and the Company respectively, notwithstanding that the other Group Existing Loans extended by unrelated parties provide for default interest in the event of a repayment default with the default interest rates ranging from 3.50% to 18.00% per annum on outstanding amounts;

(f) in comparison with the Inter-Company Loan, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is above the 5.0% per annum interest rate applicable to the Inter-Company Loan;

(g) in comparison with the LPR in the PRC, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is above the prevailing one-year and five-year LPR of 3.0% and 3.5% respectively;

(h) in comparison with the Reference Transaction, (i) all the Reference Transactions are unsecured in nature which is similar to the Amended Fengchi IOT Loan; and (ii) save for the interest-free loans under the Reference Transactions, the Revised Interest Rate of 6.0% per annum under the Amended Fengchi IOT Loan is at the higher end of the range of the interest rates of the Reference Transactions of between 3.00% to 6.00% per annum;

(i) in comparison with the Related Party Loans:

(i) the Revised Interest Rate of 6.0% per annum on the Amended Fengchi IOT Loan is above the interest rates of 5.0% per annum of each of the interest-bearing Related Party Loans;

(ii) the Loan Tenure of six (6) years under the Amended Fengchi IOT Loan is within the range of the loan tenures of the Related Party Loans of between approximately five (5) years and eight (8) years;

(iii) the total loans or financial support provided by Mr. Ding and his associated companies to Fengchi IOT amounted to approximately RMB346.3 million, which (A) represents 62.04% of the aggregate of the Related Party Loans and the loans or financial assistance extended by the Group to Fengchi IOT, amounting to approximately RMB211.8 million, and (B) exceeded Mr. Ding's proportionate shareholding interest of 51.0% in Fengchi IOT (held through Liuyu); and

(iv) the repayment term for the principal and accrued interest expenses for the Related Party Loans is similar to the repayment terms of the Amended Fengchi IOT Loan;

(j) other relevant considerations as set out in paragraph 4.8 of this Letter, namely:

(i) the status of the New Development 2024 Fengchi Loan including, *inter alia*, that approximately RMB187.5 million remains available for drawdown under the New Development 2024 Fengchi Loan, and that such loan may only be utilised for the purposes as approved by the Independent Shareholders at the 2024 EGM;

(ii) there being no additional cash outlay to be provided by the Group to Fengchi IOT pursuant to the Proposed Amendments to the Fengchi IOT Loan as an IPT;

(iii) the limited viable corporate structuring and financing alternatives considered by the Board which includes, (A) the difficulties in obtaining new loans from other banks and financial institutions on favourable terms to refinance the Fengchi IOT Loan, (B) the current financial condition of Fengchi IOT which is only sufficient to sustain its operating expenses, as well as the dependency on the continued financial support from Mr. Ding and his associated companies and the Group to meet its repayment obligations, (C) the enforceability rights of the secured creditors, which may trigger a forced disposal of the Tianjin Logistics Hub in the event of any default on the secured loans, and (D) the absence of any formal offers or proposals received from any third parties to acquire the Company's 49.0% interest in Fengchi IOT or the Tianjin Logistics Hub as at the Latest Practicable Date;

(iv) Fengchi IOT being a subsidiary of the Company would provide, *inter alia*, the Directors greater oversight over Fengchi IOT's financial affairs and have the discretions to assess and request for the repayment of the accrued and outstanding interest expenses;

(v) no additional fundings required by the Company as the New Development 2024 Company Loan remains available to be drawn down by the Company; and

(vi) the abstention from voting from Mr. Ding, New Development and their respective associates in respect of the Proposed Amendments to the Fengchi IOT Loan as an IPT.

Having regard to the considerations set out in above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Amendments to the Fengchi IOT Loan as an IPT are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders.

This letter has been prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed to the Non-Interested Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Amendments to the Fengchi IOT Loan as an IPT only. The recommendation made by the Non-Interested Directors to the Independent Shareholders in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT shall remain the sole responsibility of the Non-Interest Directors.

Whilst a copy of this Letter may be reproduced as an Appendix to the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case, except for any matter in relation to the Proposed Amendments to the Fengchi IOT Loan as an IPT. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,
For and on behalf of
Novus Corporate Finance Pte. Ltd.

Andrew Leo
Chief Executive Officer

Lau Sze Mei
Associate Director

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of Pavillon Holdings Ltd. (the "**Company**") will be held at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691 on 7 August 2025 at 9.00 a.m., for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

Please refer to the paragraph titled "IMPORTANT INFORMATION" below for details.

*All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company's circular dated 23 July 2025 (the "**Circular**").*

Shareholders are to note that the passing of Ordinary Resolution 1 and Ordinary Resolution 2 are not conditional on each other.

ORDINARY RESOLUTION 1:

THE PROPOSED RATIFICATION OF THE DISPOSAL OF SHARES IN LINGBAO GOLD GROUP CO LTD

THAT:

(a) the disposal of 8,046,000 ordinary shares, representing approximately 0.65% of the total issued paid-up ordinary share capital of Lingbao Gold Group Co Ltd (the "**Disposal**"), as a major transaction pursuant to Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited, be and is hereby approved, confirmed and ratified;

(b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit and in the interests of the Company; and

(c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by any Director in connection with the Disposal and this Ordinary Resolution be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 2:

THE PROPOSED AMENDMENTS TO THE FENGCHI IOT LOAN AS AN IPT

THAT:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual, the entry into the Supplemental Agreement for, among others, the extension of the tenure of the Fengchi IOT Loan, on the terms and subject to the conditions set out in the Supplemental Agreement and for such entry into the Supplemental Agreement and any other transactions and/or ancillary documents contemplated under the Supplemental Agreement; and

(b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 2 and implement any of the foregoing as they think fit and in the

interests of the Company.

By Order of the Board
PAVILLON HOLDINGS LTD.

Fan Bin
Executive Chairman

23 July 2025

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

IMPORTANT INFORMATION

1. The EGM will be held physically at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691.

2. (a) A member (who is not a relevant intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed.

   "**Relevant intermediary**" shall have the meaning ascribed to it in section 181 of the Companies Act 1967 of Singapore.

3. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. **Submission of substantial and relevant questions in advance of the EGM.** Members, including CPF Investors and SRS Investors, can submit substantial and relevant questions related to the resolution to be tabled for approval at the EGM to the Chairman of the Meeting, in advance of the EGM, in the following manner:

   (a) if submitted by post, be lodged with the Company's registered office at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409; and

   (b) if submitted electronically, the instrument must be submitted via email to sg.is.proxy@vistra.com,

   in each case, by **9.00 a.m. on 31 July 2025 (being at least seven (7) calendar days from the date of the Notice of EGM)**. When sending in questions by post or email, please also include the following details: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g. via CDP, CPF, SRS and/or scrip).

   Members (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies) can also ask live at the EGM substantial and relevant questions related to the resolution to be tabled for approval at the EGM by attending the EGM physically.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's registered office at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409; and

   (b) if submitted electronically, the instrument must be submitted via email to sg.is.proxy@vistra.com.

   in each case, by **9.00 a.m. on 4 August 2025 (not less than 72 hours before the time appointed for holding the EGM).**

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email will need to complete and sign the Proxy Form (which can also be downloaded from the SGXNet at the URL: https://www.sgx.com/securities/company-announcements and the Company's website at the URL: https://thaivillagerestaurant.com.sg/investors, before submitting it

by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **9.00 a.m. on 4 August 2025**), as certified by CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.

7. CPF Investors and SRS Investors:

   (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **9.00 a.m. on 29 July 2025**), and such CPF Investor and/or SRS Investors shall be precluded from attending the EGM.

8. Printed copies of the Circular will **not** be despatched to Shareholders, unless otherwise requested. Printed copies of the Notice of EGM and the Proxy Form have been despatched to Shareholders and are also available on the SGXNet at the URL: https://www.sgx.com/securities/company-announcements and the Company's website at the URL: https://thaivillagerestaurant.com.sg/investors.

PROXY FORM

PAVILLON HOLDINGS LTD. (Company Registration No. 199905141N) (Incorporated in the Republic of Singapore)	**PROXY FORM** **EXTRAORDINARY GENERAL MEETING** (Please see notes overleaf before completing this Proxy Form)

IMPORTANT:

1. The Extraordinary General Meeting (the "**EGM**") of Pavillon Holdings Ltd. will be held at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691.
2. An investor who holds shares under the Central Provident Fund Investment Scheme (the "**CPF Investor**") and/or the Supplementary Retirement Scheme (the "**SRS Investor**") (as may be applicable) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. Alternatively, CPF Investors / SRS Investors may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. **by 9.00 a.m. on 29 July 2025**), and such CPF Investor and/or SRS Investors shall be precluded from attending the EGM.
3. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purported to be used by them.

*I/We,		(Name)		(NRIC / Passport / Co. Registration Number)
of				(Address)

being a member/members* of **PAVILLON HOLDINGS LTD.** (the "**Company**"), hereby appoint:

Name:	**Address:**	**NRIC / Passport Number**	**Proportion of Shareholdings (%)**	
			No of Shares	**%**

and/or

Name:	**Address:**	**NRIC / Passport Number**	**Proportion of Shareholdings (%)**	
			No of Shares	**%**

or failing the person, or either or both of the persons referred to above, the Chairman of the Meeting as *my/our *proxy to vote for *me/us on *my/our behalf at the EGM to be held at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691 on 7 August 2025 at 9.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy to vote for, vote against or abstain from voting on the resolution to be proposed at the EGM as indicated hereunder.

If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

The resolution put to the vote at the EGM shall be decided by way of poll.

Ordinary Resolutions relating to:		**For**[2]	**Against**[2]	**Abstain**[3]
1.	The Proposed Ratification of the Disposal of Shares in Lingbao Gold Group Co Ltd			
2.	The Proposed Amendments to the Fengchi IOT Loan as an IPT			

[1] Voting will be conducted by poll. If you wish for your proxy to cast all your votes "For" or "Against" a resolution, please tick (√) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of the resolution.

[2] If you wish for your proxy to abstain from voting on the resolution, please tick (√) within the "Abstain" box provided in respect of the resolution. Alternatively, please indicate the number of votes that your proxy is directed to abstain from voting in the "Abstain" box provided in respect of the resolution.

Dated this day of 2025

Total Number of Shares in:	**No. of shares**
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

** Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.

2. (a) A member (who is not a relevant intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy. (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. In such event, the relevant intermediary shall submit a list of its proxies setting out number and class of shares in relation to which each proxy has been appointed together with the information required in this Proxy Form to the Company.

   "**Relevant intermediary**" shall have the meaning ascribed to it in section 181 of the Companies Act 1967 of Singapore.

3. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. This instrument appointing a proxy(ies) must be submitted to the Company in the following manner: (a) if submitted by post, be lodged with the Company's registered office at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409; and (b) if submitted electronically, the instrument must be submitted via email to sg.is.proxy@vistra.com in each case, by **9.00 a.m. on 4 August 2025 (not less than 72 hours before the time appointed for holding the EGM)**.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can download a copy of the Proxy Form from the Company's website and SGXNet, and complete and sign this Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. Subject to note 9, completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of the proxy, to the EGM.

6. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. CPF Investors and SRS Investors: (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM (i.e. by **9.00 a.m. on 29 July 2025**), and such CPF Investor and/or SRS Investors shall be precluded from attending the EGM

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **9.00 a.m. on 4 August 2025**), as certified by CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.

10. Printed copies of the Circular will **not** be despatched to Shareholders, unless otherwise requested. Printed copies of the Notice of EGM and the Proxy Form have been despatched to Shareholders and are also available on the SGXNet at the URL: https://www.sgx.com/securities/company-announcements and the Company's website at the URL: https://thaivillagerestaurant.com.sg/investors.

Personal data privacy: Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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