
RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS PRIOR TO THE COMPANY'S EXTRAORDINARY GENERAL MEETING TO BE HELD AT 3.00 P.M. ON 5 AUGUST 2022

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**”) of Pavillon Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions in advance of the Company’s extraordinary general meeting to be held at 3.00 p.m. on 5 August 2022 (the “**EGM**”).
- 1.2. This announcement has replicated the shareholders’ questions received by the Company and contains the Company’s responses thereto.
- 1.3. Unless otherwise defined herein, capitalised terms used in this announcement shall bear the meanings as ascribed to them in the circular dated 21 July 2022 issued by the Company (the “Circular”)

2. RESPONSES TO SHAREHOLDER’S QUESTIONS

No.	Question	Company’s Response
1.	Why did the company not combine the EGM requisition to appoint and remove certain directors together and hold it on a single date?	<p>As announced on 14 July 2022 and as at the date of this announcement, the Board is still seeking legal advice on the validity of the request from the requisitioning shareholders for convening an extraordinary resolution to pass the resolutions (the “Requisition EGM”).</p> <p>Pursuant to the reasons as set out in the rationale of section 2.2 (<i>Rationale</i>) of the Circular, the Company is proceeding with the EGM for the Proposed Subscription, given that time is of essence.</p> <p>The Company will provide updates on the Requisition EGM in due course.</p>
2.	Which camp does Mr Ding belong to? Is he affiliated with Mr John Chen/Mr Ko camp or Mr Teo/Mr Zheng camp?	<p>Please refer to section 2.1 (<i>Background</i>) of the Circular in relation to the background of Fengchi IOT, including Mr. Ding’s Capital Injection.</p> <p>Further, please also refer to sections 2.3 (<i>Information on the Subscriber</i>) and 2.4 (<i>Prior Relationships</i>) of the Circular in relation to Mr. Ding’s background and relationship and connection with the Company, its Directors, Substantial Shareholders or their respective associates.</p>
3.	Why did Mr Ko time his departure from the board so precisely on the date of the 5 Aug 2022 EGM?	Please refer to the announcement dated 18 July 2022 in relation to Mr. Ko’s resignation, where the reason is to pursue other interests.

		The Company also understands that Mr. Ko intended to see through the EGM for the Proposed Subscription, given that as a Director, the Directors' Recommendation has been included in section 10 (<i>Directors' Recommendation</i>) of the Circular.
4.	Is Mr Ko's resignation and departure conditional on the passage or approval of the EGM resolutions?	Mr. Ko's resignation and departure is unconditional as disclosed in the announcement dated 18 July 2022.
5.	Did Mr Teo/Mr Zheng disagree with Mr John Chen/Mr Ko regarding the proposed subscription of shares by Mr Ding? Was the EGM requisitioned by Mr Teo/Mr Zheng to stop the transfer of controlling shareholding interest to Mr Ding?	<p>Please refer the announcement dated 14 July 2022 in relation to the Requisition EGM where the requisition letter has been appended for the shareholders' information.</p> <p>Based on the Requisition Letter, we note that the requisitioning shareholders "<i>have proposed the above resolutions for the interests of all shareholders and stakeholders, after taking into account the worrying performance and developments of the Company</i>".</p> <p>The Company will provide updates on the Requisition EGM in due course.</p>
6.	How did Mr Ding first get to be aware, acquainted with the company Pavillon?	The Company was formerly known as Thai Village Holdings Ltd and was expanding the food and beverage operations in PRC. Mr. Ding expressed interest in the Company's food and beverage operations and subsequently become a franchisee of Thai Village in 2002. The franchise ended in 2017.
7.	Who introduced him to the company Pavillon Holdings?	Please refer to response to Question 6 above.
8.	When did Mr Ding first invest into Pavillon Holdings?	Mr. Ding became a shareholder in the Company in July 2021.
9.	Why did Mr Ding invest in this company Pavillon Holdings in the first place?	This is an investment decision by Mr. Ding which the Company is not privy to the basis.
10.	Is Mr Ding based in Singapore or in China?	The Company understands that Mr. Ding travels between Singapore and the PRC.
11.	If Mr Ding becomes the controlling shareholder of the company, does Mr Ding have the available time, energy and commitment to involve himself with the affairs of the company Pavillon Holdings, a company in poor financial health and in dire need to improve its financial and business prospects?	<p>Please refer to section 2.5(f) of the Circular where details of the undertakings provided by the Company to the Subscriber in the Subscription Agreement has been disclosed.</p> <p>The Subscriber has procured an undertaking for the Company to take all necessary actions to prepare for the restructuring of the Group (including but not limited to making changes to the business operations and personnel), as required by the Subscriber to prepare to have majority control over the operations and management of the Group.</p>

		<p>Please also note that Mr. Ding had invested in Fengchi IOT through the Capital Injection at a premium, secured and guaranteed the Bank Loan through assets in his personal investment portfolio and also provided the Short-Term Financing Loan.</p> <p>The Company is otherwise unable to represent on behalf of Mr. Ding's time, energy and commitment.</p>
12.	<p>Fengchi IOT has received a letter of demand for payment of 150 million RMB. Please provide updates on the status of the letter of demand. Have things escalated further? Are there merits to the letter of demand? What is the current status and progress regarding the (resolution) of the letter of demand?</p>	<p>Please refer to the announcements dated 16 June 2022, 11 July 2022 and 29 July 2022 in relation to the letter of demand. The Company continues to be in discussions with the Main Contractor and will provide updates as and when there are developments.</p> <p>The Company wishes to reiterate the necessity of the Proposed Subscription, where the proceeds thereto will be utilised to fund, <i>inter alia</i>, the payment of the final outstanding amounts due to the Main Contractor under the Construction Financing and subsequently lead to resolving the subject matter in the Letter of Demand.</p>
13.	<p>Fengchi IOT, which has received a letter of demand, is closely associated with Mr Ding. Mr Ding has a sizable stake in Fengchi IOT. Would this placement of shares to Mr. Ding further entrench and mire the company Pavillon Holdings into the "messy" affairs of Fengchi IOT, and complicate matters for our already struggling company Pavillon Holdings?</p>	<p>Please refer to sections 2.1 (<i>Background</i>) and 2.2 (<i>Rationale</i>) of the Circular for the background and reasons which the Group and Directors believe that the Proposed Subscription is necessary and in the interests of the Shareholders.</p>
14.	<p>Pavillon Holdings financials are not in the best of shape - is it prudent to place out shares to Mr Ding, and increase our involvement (and association) with Fengchi IOT and its legal (and financial) troubles?</p>	<p>Please refer to sections 2.1 (<i>Background</i>) and 2.2 (<i>Rationale</i>) of the Circular for the background and reasons which the Group and Directors believe that the Proposed Subscription is necessary and in the interests of the Shareholders.</p>
15.	<p>When will Fengchi IOT turn profitable? What is the management of Fengchi IOT doing to turnaround the business and prospects of Fengchi IOT?</p>	<p>Please refer to sections 2.1 (<i>Background</i>) and 2.2 (<i>Rationale</i>) for disclosures in relation to the operations at the Warehouse and the intentions for the Group to provide value-added services such as logistics, product finance, customs clearance and inspection, capitalise on potential rental rebates for its tenants and increase marketing efforts to improve its market profile for the improvement of average occupancy rates at the Warehouse.</p> <p>Please also refer to section 2.1 (<i>Background</i>) of the Circular where the Company has also disclosed the deterrents for such efforts.</p>

3. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Subscription remain subject to, amongst others, the fulfilment of the conditions precedent under the Subscription Agreement. **There is no certainty or assurance that the conditions precedent for the Proposed Subscription can be fulfilled or that the Proposed Subscription will be undertaken at all.** Shareholders are advised to read this announcement, the Circular and any past and future announcements by the Company carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and Subscribers should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

By Order of the Board

Dr. John Chen Seow Phun
Executive Chairman

1 August 2022