

**PAVILLON HOLDINGS LTD.**

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

**RESPONSE TO QUERIES FROM SGX**

The Board of Directors (the “Board”) of Pavillon Holdings Ltd. (the “Company”) wishes to announce the following in response to the query raised by the Singapore Exchange Securities Trading Limited (“SGX”) in respect of the half year results announcement for the financial period ended 30 June 2023 (“1HFY2023 Financial Statements”) released on 14 August 2023.

**SGX Query (1)**

1) The Company had utilised RMB 200 million of its placement proceeds in 2022 for Fengchi IOT Management Co., Ltd (“Fengchi IOT”). Please provide an update on the performance of the Tianjin Logistics hub and Fengchi IOT since the Company’s announcement on 5 Mar 2023, the changes in occupancy rates of the various components in Tianjin Logistics hub, details of the financial performance of Fengchi IOT in comparison to the profit of S\$5.7 million in FY2022, the fair value adjustment of the Tianjin Logistics hub if any, the status of its financing arrangements and Fengchi IOT’s ability to meet repayment obligation when they fall due and provide the outlook of Fengchi IOT for the next reporting period and the next 12 months.

**Company’s response**

Utilisation capacity	6 months ended 30 June 2023
Office tower	16.04%
Warehouse	22.76%
Exhibition	5.21%

Fengchi IOT Financial Extract	6 months ended 30 June 2023	Group’s share of 49%	FY 2022	Group’s share of 49%
	S\$ (000)	S\$ (000)	S\$ (000)	S\$ (000)
Revenue	1,956.59	958.73	5,375.45	2,633.97
Other income	35.57	17.43	52.47	25.71
Finance expenses	(2,253.36)	(1,104.15)	(4,378.82)	(2,145.62)
Other operating expenses	(1,181.18)	(578.78)	(6,533.10)	(3,201.22)
FV gain/(loss) on IP	-	-	17,192.69	8,424.42
<b>Net Profit/(loss)</b>	<b>(1,442.39)</b>	<b>(706.77)</b>	<b>11,708.69</b>	<b>5,737.26</b>

For the 6 months ended 30 June 2023 unaudited financial results, the company did not carry any fair value assessment.

The company conducts a fair value assessment of Fengchi IOT once a year.

The company has been monitoring the loan repayment and at the same time constantly looking for a capital partner (investor and/or financial institution) for the purpose of re-financing the loan when it falls due.

The outlook of Fengchi IOT depends on how fast China’s economy recovers and the extent of easing of government policy for parallel import car business.

## **SGX Query (2)**

In the Company's announcement on 26 April 2023 in response to Query 12(c), the Company disclosed that "The rental rate of RMB850,000 per month was arrived at after negotiation between management of Fengchi IOT and Daju Logistics. The said rental rate payable by Daju Logistics according to the Lease is lower than the market rental value as at 31 December 2022 indicated in the said independent valuation report."

a. Please disclose the market rental rate as at 31 December 2022 indicated in the independent valuation report.

b. Listing Rule 909 states that the value of an interested person transaction (IPT) is the amount at risk to the issuer. With respect to the IPT table in section 6 of the Company's 1H2023 financial results, please disclose the value at risk of the rental paid by Daju Logistics (Tianjin) Co., Ltd and Fengchi IOT to confirm whether the Company is in compliance with Listing Rule 905 and 906 respectively, where applicable.

## **Company's response**

a.

Market Rental Rate	RMB
Office tower	2.1 per Sqm per day
Warehouse	10 per car per day
Exhibition Hall	1.0 per Sqm per day

b.

As of June 2023, Daju Logistics has paid the rent till April 2023. The outstanding rent receivable as of 30 June 2023 is RMB 1.7 M

Daju Logistics is operated by our current team, we don't foresee that there is any risk.

The company is in compliance with Listing rules 905 and 906.

By Order of the Board

Dr John Chen Seow Phun  
Executive Chairman

23 August 2023