

**PAVILLON HOLDINGS LTD.**

(Company Registration No. 199905141N)

(Incorporated in the Republic of Singapore)

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**RECEIPT OF LETTER OF DEMAND BY ASSOCIATED COMPANY AND SUBSIDIARY**

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The Board of Directors (the “Board”) of Pavillon Holdings Ltd. (the “**Company**”) wishes to announce that (a) Fengchi IOT Management Co., Ltd. (丰驰物联网管理有限公司) (“**Fengchi IOT**”), an associated company of the Company in which the Company indirectly holds a 49.0% shareholding through Tianjin Pavillon Assets Management Co., Ltd. (天津兰亭资产管理有限公司), a wholly-owned subsidiary of the Company<sup>1</sup>; and (b) Pavillon Financial Leasing Co., Ltd. (兰亭融资租赁有限公司) (“**PFL**”) a 75.98% subsidiary of the Company, has on 14 June 2022 received a letter of demand dated 13 June 2022 (“**Letter of Demand**”) from the solicitor representing the main contractor, Zhejiang Zhongcheng Construction Group Co. Ltd (浙江中成建工集团有限公司) (the “**Main Contractor**”) for payment of the sum of RMB152,927,178 before 20 June 2022. The amount relates to financing arrangements secured by Fengchi IOT with the Main Contractor for deferred payments of the portion of the total construction costs incurred by the Main Contractor (the “**Construction Financing**”) for the construction of a multi-storey bonded warehouse, automotive warehouse showroom, automotive financial services centre and logistics network management centre in the Dongjiang Port Area in Tianjin, People’s Republic of China (the “**Warehouse**”).

As a prior shareholder of Fengchi IOT, PFL, alongside Shanghai Jinmao Technology Development Co Ltd. (上海津茂科技发展有限公司)<sup>2</sup>, provided a joint and several corporate guarantee for outstanding amounts under the Construction Financing. No parent corporate guarantee was provided by the Company.

As announced by the Company on 10 March 2022, the Company has, on 9 March 2022, entered into a subscription agreement (the “**Subscription Agreement**”) with New Development Hotel Management Pte. Ltd. (the “**Subscriber**”). Pursuant to the Subscription Agreement, the Company shall allot and issue, and the Subscriber shall subscribe for 1,047,218,560 new ordinary shares in the Company (the “**Subscription Shares**”), thereby raising total proceeds of S\$42,935,961.02 (equivalent of RMB200 million) (the “**Proposed Subscription**”). 100% of the proceeds from the Proposed Subscription shall be utilised to fund (through a shareholder’s loan or equivalent with agreed initial terms) the operations of Fengchi IOT, including but not limited to the payment of the final outstanding amounts due to the Main Contractor under the Construction Loan. The Proposed Subscription is conditional upon, amongst others:

- (i) the grant by the Securities Industry Council of Singapore of the waiver of the obligation of the Subscriber to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers for the Shares not held by the Subscriber and/or its concert parties following the allotment and issue of the Subscription Shares pursuant to the Proposed Subscription under the Subscription Agreement;
- (ii) the approval-in-principle being obtained from the Singapore Exchange Securities Trading Limited for the listing and quotation of the Subscription Shares; and
- (iii) approval being obtained from the shareholders of the Company and/or the independent shareholders of the Company (as the case may be) at an extraordinary general meeting to be duly convened for, *inter alia*, the Proposed Subscription (including the allotment and issue of the Subscription Shares), the proposed use of proceeds as an interested person

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<sup>1</sup> For further information on the internal transfer of shares in Fengchi IOT from PFL to TPA, please refer to the Company’s announcement dated 20 March 2022.

<sup>2</sup> A company where Mr. Ding Furu (丁福如) is the 100.0% ultimate beneficial shareholder. For further information on Mr. Ding Furu (丁福如), please refer to the Company’s announcement dated 10 March 2022.

transaction, the transfer of controlling interest to the Subscriber and the proposed whitewash resolution.

The Company is reviewing the Letter of Demand with its advisors and given the above, the Company intends to negotiate an extension of payment timeline with the Main Contractor. The Company will provide further updates when there are material developments as and when they occur.

**Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.**

By Order of the Board

Dr John Chen Seow Phun  
Executive Chairman

16 June 2022