

**PAVILLON HOLDINGS LTD**

**Full-Year Results Financial Statement And Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR HALF-YEAR AND FULL YEAR RESULTS ANNOUNCEMENTS**

**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

Financial statements for the 6 months and full year ended 31 December 2023

	Note	Group				Increase/ (Decrease) %
		2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000	
<b>Revenue</b>	<b>4</b>	8,332	8,030	17,957	16,309	<b>10.1%</b>
<b>Other items of income</b>						
Interest income		985	632	1,947	666	<b>192.3%</b>
Other income		203	97	398	252	<b>57.9%</b>
<b>Items of expenses</b>						
Raw materials and changes in inventories		(2,440)	(2,811)	(5,422)	(5,797)	<b>-6.5%</b>
Employee compensation		(2,707)	(2,638)	(5,526)	(5,918)	<b>-6.6%</b>
Depreciation expense		(649)	(736)	(1,337)	(1,507)	<b>-11.3%</b>
Finance expenses		(62)	(62)	(154)	(126)	<b>22.2%</b>
Currency exchange loss - net		(336)	(4,285)	(1,635)	(4,285)	<b>-61.8%</b>
Other operating expenses		(1,330)	(2,042)	(2,578)	(3,477)	<b>-25.9%</b>
<b>Total expenses</b>		<b>(7,544)</b>	<b>(12,575)</b>	<b>(16,652)</b>	<b>(21,110)</b>	<b>-21.1%</b>
Share of profit/(loss) of associated companies		(6,703)	7,283	(7,991)	5,737	<b>-239.3%</b>
<b>Profit/(Loss) before income tax</b>	<b>6</b>	<b>(4,727)</b>	<b>3,468</b>	<b>(4,341)</b>	<b>1,854</b>	<b>-334.1%</b>
Income tax expenses	<b>7</b>	(269)	(40)	(358)	(94)	<b>280.6%</b>
<b>Net Profit / (Loss)</b>		<b>(4,996)</b>	<b>3,428</b>	<b>(4,699)</b>	<b>1,760</b>	<b>-367.0%</b>
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss :</i>						
Currency translation differences on consolidation of foreign entities (net)		284	(212)	(187)	(386)	<b>-51.6%</b>
<i>Items that will not be reclassified subsequently to profit or loss :</i>						
Currency translation differences on consolidation of foreign entities (net)		(161)	(257)	(121)	(331)	<b>-63.5%</b>
Fair Value gain on financial asset, at FVOCI		1,038	132	1,038	132	<b>686.4%</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(3,835)</b>	<b>3,091</b>	<b>(3,969)</b>	<b>1,175</b>	<b>-437.9%</b>
<b>Net Profit / (Loss) attributable to:</b>						
Equity holders of the Company		(4,961)	3,580	(4,661)	(674)	<b>591.9%</b>
Non-controlling interests		(35)	(152)	(38)	2,434	<b>-101.6%</b>
		<b>(4,996)</b>	<b>3,428</b>	<b>(4,699)</b>	<b>1,760</b>	<b>-367.0%</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company		(3,888)	3,469	(4,059)	(960)	<b>322.8%</b>
Non-controlling interests		53	(378)	90	2,135	<b>-95.8%</b>
		<b>(3,835)</b>	<b>3,091</b>	<b>(3,969)</b>	<b>1,175</b>	<b>-437.8%</b>
<b>Earnings per share attributable to owners of the Company</b>		<b>Cts</b>	<b>Cts</b>	<b>Cts</b>	<b>Cts</b>	
Basic		(0.35)	0.52	(0.32)	(0.10)	
Diluted		(0.35)	0.52	(0.32)	(0.10)	

## B. Condensed interim statements of financial position

		Group	
		31-12-23	31-12-22
		S\$'000	S\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
		5,748	3,566
		281	1,881
		2,421	1,434
		<u>8,450</u>	<u>6,881</u>
<b>Non-current assets</b>			
		40,048	39,655
	10	5,332	4,294
		5,276	12,963
	11	3,056	2,209
		<u>53,712</u>	<u>59,121</u>
<b>Total assets</b>		<u>62,162</u>	<u>66,002</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
		3,363	3,595
		1	44
		416	96
	12	1,495	1,507
		<u>5,275</u>	<u>5,242</u>
<b>Non-current liabilities</b>			
		60	100
	12	1,712	1,717
		339	198
		48	48
		<u>2,159</u>	<u>2,063</u>
<b>Total liabilities</b>		<u>7,434</u>	<u>7,305</u>
<b>NET ASSETS</b>		<u>54,728</u>	<u>58,697</u>
<b>EQUITY</b>			
		82,097	82,097
	13	4,496	3,894
		(37,214)	(31,866)
		<u>49,379</u>	<u>54,125</u>
<b>Non-controlling interests</b>		<u>5,349</u>	<u>4,572</u>
<b>TOTAL EQUITY</b>		<u>54,728</u>	<u>58,697</u>

## B. Condensed interim statements of financial position (Continued)

		<b>Company</b>	
		<b>31-12-23</b>	<b>31-12-22</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		96	17
Trade and other receivables		7,079	1,079
		<u>7,175</u>	<u>1,096</u>
<b>Non-current assets</b>			
Other receivables - NC		39,650	39,251
Investments in subsidiary corporations		9,843	12,482
Property, plant and equipment	11	-	-
		<u>49,493</u>	<u>51,733</u>
<b>Total assets</b>		<u>56,668</u>	<u>52,829</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		6,097	5,340
Borrowings		314	697
		<u>6,411</u>	<u>6,037</u>
<b>Non-current liabilities</b>			
Trade and other payables - NC		60	100
Borrowings - NC		161	461
		<u>221</u>	<u>561</u>
<b>Total liabilities</b>		<u>6,632</u>	<u>6,598</u>
<b>NET ASSETS</b>		<u>50,036</u>	<u>46,231</u>
<b>EQUITY</b>			
Capital and reserve attributable to equity holders of the Company			
Share capital	13	82,097	82,097
Accumulated losses		(32,061)	(35,866)
<b>TOTAL EQUITY</b>		<u>50,036</u>	<u>46,231</u>

**C. Condensed interim statements of changes in equity**

The Group 2023	Share capital S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Fair Value Reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 January 2023</b>	82,097	88	3,478	328	(31,866)	54,125	4,572	58,697
Net profit/(loss) for the year	-	-	-	-	(4,661)	(4,661)	(38)	(4,699)
<u>Other comprehensive income/(loss)</u>								
Foreign currency translation	-	(187)	-	-	-	(187)	(121)	(308)
Fair value gain on financial asset, at FVOCI	-	-	-	789	-	789	249	1,038
<b>Total other comprehensive income/(loss) for the year, net of tax</b>	-	(187)	-	789	(4,661)	(4,059)	90	(3,969)
Effect of changes in shareholdings in a subsidiary corporation without change of control	-	-	-	-	(687)	(687)	687	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	(687)	(687)	687	-
<b>Balance as at 31 December 2023</b>	82,097	(99)	3,478	1,117	(37,214)	49,379	5,349	54,728
<b>2022</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2022</b>	39,433	474	3,478	228	(31,192)	12,421	2,437	14,858
Issue of share capital	42,936	-	-	-	-	42,936	-	42,936
Share Issue Expenses	(272)	-	-	-	-	(272)	-	(272)
Net profit/(loss) for the year	-	-	-	-	(674)	(674)	2,434	1,760
<u>Other comprehensive income/(loss)</u>								
Foreign currency translation	-	(386)	-	-	-	(386)	(331)	(717)
Fair value gain on financial asset, at FVOCI	-	-	-	100	-	100	32	132
<b>Total other comprehensive income/(loss) for the year, net of tax</b>	-	(386)	-	100	(674)	(960)	2,135	1,174
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	82,097	88	3,478	328	(31,866)	54,125	4,572	58,697

## D. Condensed interim consolidated statement of cash flows

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>		
Net Profit/(Loss )	(4,699)	1,760
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	1,337	1,507
Gain on disposal of property, plant and equipment	(179)	(21)
Gain on lease modification relating to termination of the lease	-	(9)
Rental concession	-	(19)
Income tax expenses	358	94
Interest expense	154	126
Interest income	(1,947)	(666)
Share of (Profit)/Loss of associated company	7,991	(5,737)
Property, plant and equipment written off	11	521
Unrealised currency translation difference	1,706	4,210
	4,732	1,766
<b>Change in working capital :</b>		
Inventories	(987)	(784)
Trade and other receivables	21	659
Trade and other payables	(272)	(566)
Contract Liabilities	(43)	44
<b>Cash generated from operations</b>	3,451	1,119
Income taxes paid	(38)	-
<b>Net cash provided by operating activities</b>	3,413	1,119
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(339)	(716)
Investment in an associated company	(766)	-
Proceeds from disposal of property, plant and equipment	454	23
Loan repayment by associated company	1,583	-
Loan to an associated company	-	(44,483)
Interest received	45	36
<b>Net cash provided by / (used in) investing activities</b>	977	(45,140)
<b>Cash flows from financing activities</b>		
Principal payment of lease liabilities	(1,130)	(1,169)
Principal payment of borrowing	(500)	(483)
Proceeds from Issuance of shares	-	42,936
Share issue expenses	-	(272)
Interest Paid	(154)	(126)
<b>Net cash provided by / (used in) financing activities</b>	(1,784)	40,886
<b>Net decrease in cash and cash equivalents</b>	2,606	(3,135)
Beginning of the financial year	3,187	6,376
Effect of currency translation on cash and cash equivalents	(45)	(54)
<b>Cash and cash equivalents at end of the financial year</b>	5,748	3,187
<b>Reconciliation of Cash and cash equivalents</b>		
Cash and cash equivalents at end of the financial year	5,748	3,566
Less Bank overdraft	-	(379)
Cash and cash equivalents per consolidated statement of cashflow	5,748	3,187

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Pavillon Holdings Ltd. (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange. The registered office and principal place of business of the Company is located at Block 1002 Tai Seng Avenue #01-2536, Singapore 534409.

The principal activities of the Company are those of investment holding, franchising and provision of management services to its subsidiary corporations. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiary corporations are :

- (a) Operation of restaurants
- (b) Financial leasing of all kind of machineries, tools and equipment
- (c) Business development trading, import and export of machineries and investment holdings
- (d) Property management
- (e) Asset Management, enterprise management, mergers and acquisitions and financial advisory services

Related companies in these financial statements refer to the companies within Pavillon Holdings Ltd.'s group of companies.

### **2. Basis of Preparation**

The condensed unaudited financial statements for the year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed unaudited financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the financial year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed unaudited financial statements are presented in Singapore dollar which is the Company's functional currency.

#### **2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2. Use of judgements and estimates**

In preparing the interim financial statements, the management of the Group (the "Management") has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The significant judgements made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Information about estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Valuation of investment properties of an associated company
- Valuation of financial assets, at FVOCI

There were no significant changes in critical judgements, estimates and assumptions as compared to the consolidated financial statements as at and for the year ended 31 December 2022.

### **3. Seasonal operations**

The restaurant business in Singapore has improved in current financial year.

#### 4. Segment and revenue information

The Group is organised into the following main business segments :

##### 4.1. Reportable segments

2H2023	<b>Food &amp; beverages</b>	<b>Properties</b>	<b>Other</b>	<b>Elimination</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Revenue from external parties	8,332	-	-	-	8,332
Inter-segment revenue	826	-	-	(826)	-
	9,158	-	-	(826)	8,332
Interest Income	30	(4)	959	-	985
Miscellaneous Income	199	-	4	-	203
Total other income	229	(4)	963	-	1,188
<b>Total revenue and other income</b>	<b>8,561</b>	<b>(4)</b>	<b>963</b>	<b>-</b>	<b>9,520</b>
Depreciation of property, plant and equipment	(649)	0	(0)	-	(649)
Finance expenses	(74)	-	(8)	-	(82)
Segment profit/(loss)	409	(44)	3,410	(1,799)	1,976
Share of profit/(loss) of associated company	-	(7,284)	581	-	(6,703)
Profit/(Loss) before taxation					(4,727)
Taxation					(269)
Net Profit/(Loss)					(4,996)
Segment assets	17,962	1,602	92,194	(54,872)	56,886
Investment in associated companies	-	5,276	-	-	5,276
<b>Total assets per statement of financial position</b>					<b>62,162</b>
Expenditures for segment non-current assets					
- Additions to PPE	2,438	-	-	-	2,438
Segment liabilities	8,960	20,622	15,958	(38,570)	6,970
Current income tax liabilities	416	-	-	-	416
Deferred income tax liabilities	48	-	-	-	48
<b>Total liabilities per statement of financial position</b>					<b>7,434</b>

**4.1. Reportable segments** (continued)

	<b>Food &amp; beverages</b>	<b>Car Washing</b>	<b>Properties</b>	<b>Other</b>	<b>Elimination</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>2H2022</b>						
Revenue from external parties	8,004	26	-	-	-	8,030
Inter-segment revenue	-	-	-	788	(788)	-
	<u>8,004</u>	<u>26</u>	<u>-</u>	<u>788</u>	<u>(788)</u>	<u>8,030</u>
Interest Income	-	1	40	591	-	632
Miscellaneous Income	48	18	31	-	-	97
Total other income	<u>48</u>	<u>19</u>	<u>71</u>	<u>591</u>		<u>729</u>
<b>Total revenue and other income</b>	<u>8,052</u>	<u>45</u>	<u>71</u>	<u>591</u>	<u>-</u>	<u>8,759</u>
Depreciation of property, plant and equipment	(688)	(48)	-	-	-	(736)
Finance expenses	(36)	(2)	-	(24)	-	(62)
Segment profit/(loss)	<u>1,696</u>	<u>(1,312)</u>	<u>12,014</u>	<u>(16,213)</u>	<u>-</u>	<u>(3,815)</u>
Share of profit of associated company	-	-	7,283	-	-	7,283
Profit/(Loss) before taxation						3,468
Taxation						(40)
Net Profit						<u>3,428</u>
Segment assets	13,640	5,723	1,588	80,328	(48,240)	53,039
Investment in associated companies	-	-	12,963	-	-	12,963
<b>Total assets per statement of financial position</b>						<u>66,002</u>
Expenditures for segment non-current assets						
- Additions to PPE	936	95	-	-	-	1,031
Segment liabilities	7,696	3	20,607	13,860	(35,005)	7,161
Current income tax liabilities	96	-	-	-	-	96
Deferred income tax liabilities	48	-	-	-	-	48
<b>Total liabilities per statement of financial position</b>						<u>7,305</u>

**4.1. Reportable segments** (continued)

	<b>Food &amp; beverages</b>	<b>Properties</b>	<b>Other</b>	<b>Elimination</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>FY2023</b>					
Revenue from external parties	17,957	-	-	-	17,957
Inter-segment revenue	1,787	-	-	(1,787)	-
	19,744	-	-	(1,787)	17,957
Interest Income	38	7	1,902	-	1,947
Miscellaneous Income	362	-	36	-	398
Total other income	400	7	1,938	-	2,345
<b>Total revenue and other income</b>	<b>18,357</b>	<b>7</b>	<b>1,938</b>	<b>-</b>	<b>20,302</b>
Depreciation of property, plant and equipment	(1,336)	-	(1)	-	(1,337)
Finance expenses	(134)	-	(21)	-	(154)
Segment profit/(loss)	3,095	(84)	3,627	(2,988)	3,650
Share of loss of associated company	-	(7,991)	-	-	(7,991)
Loss before taxation					(4,341)
Taxation					(358)
Net loss					(4,699)
<b>As at 31 December 2023</b>					
Segment assets	17,962	1,602	92,194	(54,872)	56,886
Investment in associated companies	-	5,276	-	-	5,276
<b>Total assets per statement of financial position</b>					<b>62,162</b>
Expenditures for segment non-current assets					
- Additions to PPE	2,472	-	-	-	2,472
Segment liabilities	8,960	20,622	15,958	(38,570)	6,970
Current income tax liabilities	416	-	-	-	416
Deferred income tax liabilities	48	-	-	-	48
<b>Total liabilities per statement of financial position</b>				<b>(38,570)</b>	<b>7,434</b>

4.1. Reportable segments (continued)

	Food & beverages	Car Washing	Properties	Other	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>FY2022</b>						
Revenue from external parties	16,250	59	-	-	-	16,309
Inter-segment revenue	-	-	-	1,579	(1,579)	-
	16,250	59	-	1,579	(1,579)	16,309
Interest Income	-	36	39	591	-	666
Miscellaneous Income	180	18	52	2	-	252
Total other income	180	54	91	593	-	918
<b>Total revenue and other income</b>	16,430	113	91	593	-	17,227
Depreciation of property, plant and equipment	(1,372)	(134)	-	(1)	-	(1,507)
Finance expenses	(72)	(6)	-	(48)	-	(126)
Segment profit/(loss)	3,833	(1,833)	84	(5,967)	-	(3,883)
Share of profit of associated company	-	-	5,737	-	-	5,737
Profit/(Loss) before taxation						1,854
Taxation						(94)
<b>Net Profit</b>						1,760
<b>As at 31 December 2022</b>						
Segment assets	13,640	5,723	1,588	80,328	(48,240)	53,039
- Investment in associated companies	-	-	12,963	-	-	12,963
<b>Total assets per statement of financial position</b>						66,002
Expenditures for segment non-current assets						
- Additions to PPE	1,117	506	-	-	-	1,623
Segment liabilities	7,696	3	20,607	13,860	(35,005)	7,161
Current income tax liabilities	96	-	-	-	-	96
Deferred income tax liabilities	48	-	-	-	-	48
<b>Total liabilities per statement of financial position</b>						7,305

## 4.2. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major revenue stream and geographical regions. Revenue is attributed to countries by location of customers.

	The Group			
	Food & beverages	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2H2023				
Types of goods or service:				
Sale of goods and royalty fees	8,332	-	-	8,332
Total revenue	8,332	-	-	8,332
Timing of revenue recognition:				
At a point in time	8,304	-	-	8,304
Over time	28	-	-	28
Total revenue	8,332	-	-	8,332
Geographical information:				
Singapore	8,304	-	-	8,304
Vietnam	28	-	-	28
Total revenue:	8,332	-	-	8,332

	The Group				
	Food & beverages	Car Washing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H2022					
Types of goods or service:					
Sale of goods and royalty fees	8,004	(33)	-	-	7,971
Rendering of services	-	59	-	-	59
Total revenue	8,004	26	-	-	8,030
Timing of revenue recognition:					
At a point in time	7,929	26	-	-	7,955
Over time	75	-	-	-	75
Total revenue	8,004	26	-	-	8,030
Geographical information:					
Singapore	7,964	-	-	-	7,964
Vietnam	32	-	-	-	32
PRC	8	26	-	-	34
Total revenue:	8,004	26	-	-	8,030

	The Group			
	Food & beverages	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000
FY2023				
Types of goods or service:				
Sale of goods and royalty fees	17,957	-	-	17,957
Total revenue	17,957	-	-	17,957
Timing of revenue recognition:				
At a point in time	17,875	-	-	17,875
Over time	82	-	-	82
Total revenue	17,957	-	-	17,957
Geographical information:				
Singapore	17,875	-	-	17,875
Vietnam	56	-	-	56
PRC	26	-	-	26
Total revenue:	17,957	-	-	17,957

	The Group				
	Food & beverages	Car Washing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2022					
Types of goods or service:					
Sale of goods and royalty fees	16,250	-	-	-	16,250
Rendering of services	-	59	-	-	59
Total revenue	16,250	59	-	-	16,309
Timing of revenue recognition:					
At a point in time	16,055	59	-	-	16,114
Over time	195	-	-	-	195
Total revenue	16,250	59	-	-	16,309
Geographical information:					
Singapore	16,175	-	-	-	16,175
Vietnam	64	-	-	-	64
PRC	11	59	-	-	70
Total revenue:	16,250	59	-	-	16,309

#### 4.2. Disaggregation of Revenue (Continued)

A breakdown of sales:

	The Group		
	FY2023	FY2022	Increase / (Decrease)
	\$'000	\$'000	%
Sales reported for the first half year	9,625	8,279	16%
Next Profit/(loss) after tax before deducting non-controlling interests reported for first half year	297	(1,668)	-118%
Sales reported for second half year	8,332	8,030	4%
Net Profit/(Loss) after tax before deducting non-controlling interests reported for second half year	(4,996)	3,428	-246%

#### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022

	Note	Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets</b>					
Financial assets at fair value through other comprehensive income (FVOCI)	10	5,332	4,294	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		46,034	45,083	46,801	40,345
		<u>51,366</u>	<u>49,377</u>	<u>46,801</u>	<u>40,345</u>
<b>Financial Liabilities</b>					
Trade and other payables and borrowings (Amortised cost)		6,630	6,919	6,632	6,598

#### 6. Profit / (Loss) before taxation

##### 6.1. Significant items

	Group			
	2H2023	2H2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Income</b>				
Interest income	985	632	1,947	666
<b>Expenses</b>				
Interest on borrowings	126	79	154	126
Depreciation of property, plant and equipment	649	736	1,337	1,507
Foreign exchange (gain)/loss, net	336	4,285	1,635	4,285
<b>Other income</b>				
Government Grant	16	34	163	139
Rental concession	-	19	-	19
Rebate due to Covid-19	-	12	-	32
Gain on disposal of property, plant and equipment	179	-	179	21
Gain on lease modification relating to termination of the lease	-	9	-	9
Others	8	23	56	32
	<u>203</u>	<u>97</u>	<u>398</u>	<u>252</u>

## 6.2. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties :

### Transaction with related parties

#### Associated company

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Interest income receivable from Fengchi IOT Management Co., Ltd	1,902	630
Repayment of loan by associated company(Fengchi IOT Management Co., Ltd) to the company.	1,536	-
Repayment of loan interest by associated company( Fengchi IOT Management Co., Ltd) to the company.	47	-
Capital injection to Daju Logistics (Tianjin) Co., Ltd	766	-
Fengchi IOT Management Co., Ltd - Rental income from Daju Logistics (Tianjin) Co., Ltd	1,303	-
Rental Expenses - incurred for Daju Logistics (Tianjin) Co., Ltd	1,303	-

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	2H2023	2H2022	FY2023	FY2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current Income Tax expenses / (credit)	269	40	358	94
Deferred Income tax expenses relating to origination and reversal of temporary difference	-	-	-	-
Income tax expenses /(credit) reconciled in Profit and Loss	269	40	358	94

## 8. Dividends

(a) Whether an interim (final) ordinary dividend has been declared (recommended).  
No dividends declared during the year.

(b) (i) Amount per share: Not applicable  
(ii) Previous corresponding period: None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which the Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

## 9. Net Asset Value

	Group		Company	
	As at 31/12/2023	As at 31/12/2022	As at 31/12/2023	As at 31/12/2022
	Cts	Cts	Cts	Cts
Net asset value per ordinary share	3.44	3.77	3.49	3.22

## 10. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following

	Group	
	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
<b>Unquoted equity security – Lingbao Gold Group Co., Ltd</b>		
<b>("Lingbao")</b>		
Beginning of financial year	4,294	4,162
Fair value gains/(losses)	1,038	132
End of financial year	<u>5,332</u>	<u>4,294</u>

The financial asset, at FVOCI represents approximately 1% equity interests in a company - Lingbao that is engaged in the mining, processing, smelting and sale of gold and other metallic products. Lingbao is a joint stock limited company incorporated in PRC, which partially of its shares are listed on the Stock Exchange of Hong Kong Limited.

The Group has elected to measure the above financial asset, at FVOCI due to management's intention to hold the financial asset for strategic investment purpose.

### 10.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**).
- b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

The following table presented the assets measured at fair value :

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group – 31 December 2023</b>				
<b>Financial assets</b>				
FVOCI investments	-	5,332	-	5,332
<b>Group – 31 December 2022</b>				
<b>Financial assets</b>				
FVOCI investments	-	4,294	-	4,294

## 11. Property, plant and equipment

During the year ended 31 December 2023, the Group has increased the value of the assets approximately by \$847K due to the following :

	<b>S\$'000</b>
1) Increase in Right of used assets due to renewal of leasing for restaurant at Goodwood park	2,133
2) Renovation for restaurant at Goodwood park	252
3) Purchase of plant and machinery and computers	73
4) Purchase of new fitting and furniture	14
and reduced by	
1) Depreciation for the year	1,337
2) Disposal of motor vehicles	275

## 12. Borrowings

	Group	
	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdrafts - Unsecured	-	379
Bank borrowings - Unsecured	516	513
Lease liabilities Unsecured	979	615
	<u>1,495</u>	<u>1,507</u>
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	515	1,018
Lease liabilities Unsecured	1,197	699
	<u>1,712</u>	<u>1,717</u>

	Company	
	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdrafts - Unsecured	-	379
Bank borrowings - Unsecured	314	318
	<u>314</u>	<u>697</u>
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	161	461
	<u>161</u>	<u>461</u>

## 13. Share capital

	The Group and the Company			
	As at 31/12/2023		As at 31/12/2022	
	Number of shares	Amount S\$	Number of shares	Amount S\$
Beginning of the financial year	1,434,967,260	82,098,402	387,748,700	39,433,461
Issuance of shares	-	-	1,047,218,560	42,664,941
End of financial year	<u>1,434,967,260</u>	<u>82,098,402</u>	<u>1,434,967,260</u>	<u>82,098,402</u>

The Company did not hold any treasury shares as at 31 December 2023 and 31 December 2022

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022

## 14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements

## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Pavillon Holdings Ltd and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Revenue

The restaurant business in Singapore has improved in current financial year.

#### Interest Income

Higher interest income was mainly derived from RMB 200 million loans extended by the company to its associate company.

#### Other Income

Other income for the year 2023 was higher as compared to the year 2022, due to higher government grants and gain on disposal of motor vehicles in 2023. Government grants increased by \$24K, and the gain on disposal of motor vehicles increased by \$179K.

#### Raw materials and changes in inventories

The decrease in raw materials and changes in inventories were due to the company being able to contain the raw material cost through better cost management.

#### Employee compensation

Employee compensation cost was reduced by 6.6% mainly due to reduction in the number of employees in China.

#### Depreciation expenses

Depreciation was reduced mainly due to PPE written-off in prior financial year.

#### Finance expenses

The finance expenses were increased by 22% mainly due to the higher interest rate used in computing the lease liabilities on the renewal of leases of the restaurant at Goodwood Park.

#### Currency exchange loss

The currency exchange loss decreased by 62% due mainly to slower depreciation of the RMB against SGD by 4% (2022 : 9%) and this was arising from the translation of loans to the associate company which are denominated in Renminbi into Singapore Dollars.

#### Other operating expenses

Other operating expenses decreased by around S\$ 899K or 25.9% mainly due to the following reasons :

a) Cessation of China operation led to saving of \$1,171K

but offset by increment of the followings :

b) Higher professional fees of \$171K mainly due to engaging consultant for rebranding and project development and also legal expenses for preparing circular.

c) Higher bank charges (mainly credit card charges) due to improvement of restaurant business.

d) Higher cleaning fees of \$50K due to improvement of the restaurant business.

#### Share of loss of associated companies

The China's economic conditions remain challenging. Tianjin's logistic hub is still not profitable due to its low utilisation of capacity and lower rental rate. The share of loss of associated companies consist of share of loss of Fengchi IOT Management Co., Ltd amounting to S\$7,257k and share of loss of Daju Logistics (Tianjin) Co., Ltd Logistics amounting to S\$734k.

### Review of Financial Position as at 31 December 2023

#### Property, plant and equipment

Please refer to Page 14 Note 11.

#### Trade and other receivable - Current and Non-Current

The trade and other receivables reduced as compared to last year mainly due to repayment of loan to Tianjin Pavillon Assets Management Co., Ltd. by an associate company - Fengchi IOT Management Co., Ltd

#### Inventories

The company continues to build up inventories due to improvement in restaurant business and to avoid any logistics disruption.

#### Financial Assets, at FVOCI

Financial Assets at FVOCI have increased by approximately \$1 million due to fair value gain.

### Investment in Associated companies

The decrease in investment in associated company was mainly due to share of loss and fair value loss for Fengchi IOT Management Co., Ltd.

The movement of the investment in associated company (Fengchi IOT Management Co., Ltd.) are as follows:

		Share @49%
	S\$'000	S\$'000
Revenue	3,104	1,521
Other income	77	38
Finance expenses	(4,568)	(2,238)
Other operating expenses	(2,025)	(992)
	(3,412)	(1,672)
Fair value loss on Investment Property	(11,398)	(5,585)
<b>Net loss</b>	<b>(14,810)</b>	<b>(7,257)</b>

	Fengchi IOT Management Co., Ltd	Daju Logistics (TianJin) Co., Ltd	Total
	S\$'000	S\$'000	S\$'000
<i>Investments at equity accounting</i>			
Beginning of financial year	12,963	-	12,963
Capital injection	-	766	766
Currency translation differences	(454)	(8)	(462)
Share of loss of associated companies	(7,257)	(734)	(7,991)
End of financial year	5,252	24	5,276

### Liabilities

#### Trade and other payables - Current

The Trade & other payables have been reduced mainly due to early repayment to the raw material supply creditor for a better purchase discount in year 2023.

#### Lease liabilities - Current/Non-current

Lease Liabilities increased due to renewal of lease for restaurant in Goodwood park.

#### Borrowings Current/Non-Current

The group continues to make prompt payment to reduce the bank loans.

### Review of Consolidated Cash Flows

Net cash inflow of \$3.4m from operating activities, mainly due to the improvement of F&B business in Singapore.

Net cash inflow of \$977K in investing activities for financial period 2023 as there was a loan repayment of \$1.6m from associated company.

Net cash outflow of \$1.784m in financing activities for the financial period 2023 compared to net cash inflow of \$40.886m for the financial period 2022, mainly due to the issuance of share capital of about \$43 million in year 2022. The net outflow in financing activities was due to the repaying of bank loans and repayment of lease liabilities for FY 2023.

Cash and Cash equivalent as of 31 Dec 2023 was S\$5.7m, compared to \$3.6m from Cash and Cash equivalent as of 31 December 2022.

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Consistent with previous statements.

### **4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group F&B expects to see tough competition in year 2024. We will continue to manage costs and improve our efficiency.

The economic situation in China remains challenging and therefore affects the parallel import car business in China. This has affected the capacity utilization and rental rate of our investment asset in Tianjin. The Tianjin logistic hub has yet to generate a positive return.

## 5. Dividend information

### 5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No dividends declared during the period.

The group requires capital for operations needs and development of new business. Therefore the company will not be declaring any dividend.

(b) (i) Amount per share: Not applicable

(ii) Previous corresponding period: None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which the Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

### 5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividends declared during the period.

## 6. Interested person transactions

Aggregate value of interested person transaction entered from 1 January 2023 to 31 December 2023.

The total value of other interested person transactions with Mr. Ding or any of his associates for FY2023 was approximately RMB 56.9 million (approximately S\$10.8 million), representing approximately 18% of the audited NTA of the Group for FY2022 (being the latest audited NTA amounting to approximately S\$58.7 million).

Such interested person transactions were (a) entered into pursuant to shareholders' approval obtained (RMB 10 million (approximately S\$1.9 million)); (b) entered into pursuant to an exemption under the Listing Manual (RMB 4 million (approximately S\$0.8 million)); (c) entered into prior to the relevant person becoming an interested person (RMB 24.1 million (approximately S\$4.6 million)); and (d) of no financial impact to the Company (as explained below) (RMB 13.8 million (approximately S\$2.6 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 amounts payable <sup>(1)</sup> by Fengchi IOT Management Co., Ltd to the Company under the Existing RMB200 million Loan, as required by applicable accounting principles.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd and Shanghai Liuyu Information Technology Co. Ltd is the 51% shareholder of Fengchi IOT Management Co., Ltd.  Fengchi IOT Management Co., Ltd is therefore an associate of Mr. Ding.	RMB 10 million (approximately S\$1.9 million).	Shareholder's approval was sought for the Existing RMB200 million Loan under the Subscription Circular and obtained on 5 August 2022.
Repayment of principal amounts under the Short-Term Financing Loan by Fengchi IOT Management Co., Ltd to associated company of Mr. Ding.	Mr. Ding.	The provider of the Short-Term Financing Loan is an associated company of Mr. Ding.	RMB 15 million (approximately S\$2.8 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 <sup>(2)</sup> by Fengchi IOT Management Co., Ltd to the associated company of Mr. Ding under the Short-Term Financing Loan, as required by applicable accounting principles.	Mr. Ding.	The provider of the Short-Term Financing Loan is an associated company of Mr. Ding.	RMB 832,639 (approximately S\$157,697).	The Short-Term Financing Loan was entered into prior to Mr. Ding becoming a Controlling Shareholder of the Company.
Repayment of principal and interest amounts under the Company Bridging Loan by Fengchi IOT Management Co., Ltd to the Company.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd and Shanghai Liuyu Information Technology Co. Ltd is the 51% shareholder of Fengchi IOT Management Co., Ltd.  Fengchi IOT Management Co., Ltd is therefore an associate of Mr. Ding.	RMB 8.26 million (approximately S\$1.6 million).	The Company Bridging Loan was entered into prior to Mr. Ding becoming a Controlling Shareholder of the Company.

**6. Interested person transactions - CONTINUE**

Transaction	Name of interested person	Nature of relationship	Aggregate value of transaction	Approval
Capital injection by Pavillon Business Development into Daju Logistics (TianJin) Co., Ltd on a proportionate basis of the Company's interest in the joint venture.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd and Shanghai Liuyu Information Technology Co. Ltd is the 51% shareholder of Daju Logistics (TianJin) Co., Ltd.  Daju Logistics (TianJin) Co., Ltd is therefore an associate of Mr. Ding.	RMB 4 million (approximately S\$0.8 million).	Exempted from Rule 906 of the Listing Manual pursuant to Rule 916(2) of the Listing Manual (as announced by the Company on 13 April 2023)
Payment of rental amounts by Daju Logistics (TianJin) Co., Ltd to Fengchi IOT Management Co., Ltd under the Leases.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd and Shanghai Liuyu Information Technology Co. Ltd is the 51% shareholder of Fengchi IOT Management Co., Ltd.  Fengchi IOT Management Co., Ltd is therefore an associate of Mr. Ding.	RMB 6.88 million (approximately S\$1.3 million) <sup>(3)</sup> .	NA
Receipt of rental amounts by Fengchi IOT Management Co., Ltd from Daju Logistics (TianJin) Co., Ltd under the Leases.	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd and Shanghai Liuyu Information Technology Co. Ltd is the 51% shareholder of Daju Logistics (TianJin) Co., Ltd.  Daju Logistics (TianJin) Co., Ltd is therefore an associate of Mr. Ding.	RMB 6.88 million (approximately S\$1.3 million) <sup>(3)</sup> .	NA
Interest-free loan to Daju Logistics (TianJin) Co., Ltd from Shanghai Liuyu Information Technology Co. Ltd	Mr. Ding.	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd  Shanghai Liuyu Information Technology Co. Ltd is therefore an associate of Mr. Ding.	RMB 5 million (approximately S\$0.93 million).	Note 5

**Notes :**

- (1) Whilst accrued in accordance with accounting principles, the interest amount will only be payable at the end of the tenure of the Existing RMB200 million Loan, in accordance with its terms.
- (2) Whilst accrued in accordance with accounting principles, 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) Under the terms of the Leases, the rental amounts are due every three (3) months, and the next rental amounts will be due and payable by Daju Logistics (TianJin) Co., Ltd to Fengchi IOT Management Co., Ltd by the end of February 2024.
- (4) Both Daju Logistics (TianJin) Co., Ltd and Fengchi IOT Management Co., Ltd are associated companies of the Company where the Company holds an indirect shareholding interest of 49% in each of these entities and Mr. Ding (through Shanghai Liuyu Information Technology Co. Ltd) holds the remaining shareholding interest of 51% in each of these entities. Pursuant to the Leases, Daju Logistics (TianJin) Co., Ltd as the entity at risk (as an associated company of the Company) paid a total of RMB 6.88 million (approximately S\$1.3 million) in rental amounts for FY2023 to Fengchi IOT Management Co., Ltd as the interested person (as an associate of Mr. Ding who is a Controlling Shareholder of the Company through New Development Hotel Management Pte Ltd ) and Fengchi IOT Management Co., Ltd as the entity at risk (as an associated company of the Company) received a total of RMB 6.88 million (approximately S\$1.3 million) in rental amounts for FY2023 from Daju Logistics (TianJin) Co., Ltd as the interested person (as an associate of Mr. Ding who is a Controlling Shareholder of the Company through New Development Hotel Management Pte Ltd ). The payment and receipt of the rental amounts thereunder are pursuant to the same transaction under the Leases 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 amounts under the Leases.
- (5) As the loan is interest free, there is no amount at risk.

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**8. Review of performance of the Group – turnover and earnings**

Please refer to Other information 2. Review of performance of the Group.

**9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual, Pavillon Holdings Ltd confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the year ended 31 December 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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Dr John Chen Seow Phun  
Executive Chairman

Singapore  
21-02-24