

PAVILLON HOLDINGS LTD.

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

RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS PRIOR TO THE EXTRAORDINARY GENERAL MEETING TO BE HELD AT 5 STADIUM WALK, #02-01 LEISURE PARK KALLANG, SINGAPORE 397693 ON THURSDAY, 23 APRIL 2026 AT 3.00 P.M. (OR AS SOON AS PRACTICABLE IMMEDIATELY FOLLOWING THE CONCLUSION OR ADJOURNMENT OF THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT 3.00 P.M. ON THE SAME DAY)

The Board of Directors of Pavillon Holdings Ltd. (the “**Company**” or together with its subsidiaries, the “**Group**”), refers to the questions raised by shareholders prior to the Extraordinary General Meeting scheduled to be held on 23 April 2026 at 3.00 p.m..

The Company’s response to the relevant and substantial questions submitted by shareholders before 15 April 2026 are set out below:

RESPONSE TO QUESTIONS RAISED BY SHAREHOLDERS

QUESTION 1

What defensible differentiation does Pavillon have in coffee (e.g., exclusive supply access, proven brand, proprietary processing/roasting capability, captive distribution, signed customers)? Please provide concrete evidence (contracts, off-take agreements, pilot results, KPIs), not general statements.

COMPANY’S RESPONSE

The Group acknowledges that the coffee industry is competitive. Our strategy is not to compete purely as a retail coffee brand, but to participate upstream and midstream within the coffee value chain, where we believe there are structural opportunities.

Key considerations supporting our entry include:

- **Strategic positioning in origin sourcing:** The proposed investment focuses on plantation and supply-side participation, which provides the Group with potential access to raw material supply rather than competing solely at the consumer-facing level.
- **Regional demand growth:** Coffee consumption in Asia continues to show long-term growth, particularly in China and Southeast Asia, which supports demand fundamentals.
- **Synergy with existing F&B capabilities:** The Group has longstanding operational experience in food & beverage, including procurement, quality control and customer network management, which can be leveraged progressively.
- **Partnership-based approach:** The Group intends to work with local operators and industry participants with relevant expertise, thereby mitigating execution risks.

At this stage, the project is still in its development phase. As such, commercially sensitive agreements (including potential supply arrangements and partnerships) are subject to finalisation and may not yet be appropriate for full public disclosure. The Board will make the necessary announcements in accordance with SGX listing requirements when such arrangements are materialised.

QUESTION 2

Considering that the company expects a capital outlay of RMB80 million (Assuming current exchange rate stays at RMB5.35 : SGD1.00), this is almost SGD14.93 million. That is probably more than the reported Cash and Cash equivalent of SGD14.90 million reported in Annual Report 2025. I think the business really ought to be more prudent in capital commitment. I believe a failed venture will literally bring the business to bankruptcy. Given the current track record of the new ventures so far, it does not give any confidence to shareholders that company will be able to succeed at this. Given that it will take 6 years to even get the plantation producing, how can the business be confident that they will be able to penetrate this market with strong Incumbent firms.

COMPANY'S RESPONSE

The Board acknowledges the shareholder's concern regarding the estimated capital outlay of RMB80 million.

In this regard, the Board wishes to highlight the following:

- The investment will be implemented progressively in phases, with capital deployment tied to clearly defined milestones, rather than as a single upfront commitment.
- The Group is not reliant solely on its own cash reserves. As disclosed in the Annual Report, the controlling shareholder, New Development Hotel Management Pte. Ltd. (72.98%), has made available to the Group a shareholder loan facility which includes up to SGD6 million designated specifically for investment into new businesses. The Board will also evaluate project-level financing, government co-investment schemes, and strategic partnerships to further diversify funding sources and limit balance sheet strain.
- The Board does not dispute that coffee plantations require a long development cycle. This is a long-term strategic investment that is designed to create sustainable value over a 10-to-20-year horizon, not a short-cycle trade. Management recognises that near-term revenue generation from the plantation itself will be limited.
- The Board acknowledges that the Group's recent financial results have been impacted by the fair value losses on the Tianjin investment properties (SGD24.7 million in FY2025 alone, a non-cash item). Excluding this accounting adjustment, the Group's core operations – restaurant and other businesses – generated a segment profit. Management is determined to demonstrate that the coffee venture will be held to a different standard: phased capital deployment, measurable milestones, and transparent reporting to shareholders at each stage.

While plantation-based investments typically involve a longer gestation period, the Board views this as a long-term strategic investment aligned with the Group's objective of building sustainable and recurring income streams. and will be monitored against defined internal benchmarks before further scaling. The Board has considered downside scenarios and will adopt a phased and disciplined approach, allowing the Group to reassess continuation at each stage.

By Order of the Board

Fan Bin
Executive Chairman

18 April 2026