

**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 queries raised by SGX in respect to the 1H2021 results released on 13 August 2021.

**Query (1)**

Please disclose the breakdown and elaborate on the material items contributing to the share of loss from associated companies of S\$2.825 million in 1H2021, and explain the reasons for the significant increase as compared to 1H2020.

**Company's response**

The comparative of Share of loss from associated company for two period are as follows:

| Extract from associated company<br>Income statement | YTD Jun 21<br>S\$(000) | YTD Jun 20<br>S\$(000) | Increase/<br>(Decrease)<br>S\$(000) |  |
|---|------------------------|------------------------|-------------------------------------|--|
| Depreciation  | (2,974.67)             | (130.36)               | (2,844.31)                          | Depreciation increased due to new Logistic Hub depreciation commencing when the building is completed. |
| Finance Expenses                                    | (1,364.02)             | 44.94                  | (1,408.95)                          | Interest increased due to loan interest no longer capitalized when building is completed.              |
| Other Operating expenses                            | (1,434.70)             | (476.66)               | (958.05)                            | See details ***  |
| Total Expenses                                      | (5,773.39)             | (562.08)               |                                     |  |
| Net Loss  | <u>(5,766.06)</u>      | <u>(558.64)</u>        | (5,207.43)                          |  |
| Share of loss of associated companies               | <u>(2,825.37)</u>      | <u>(273.73)</u>        | (2,551.64)                          |  |

|  |          |
|--|----------|
| <u>*** Other Operating expenses</u>                            | S\$(000) |
| <u>variances due to :</u>                                      |          |
| Increased in property tax                                      | 379.00 - |
| Employee compensation increased                                | 133.00 - |
| Consumables item   | 28.00 -  |
| Expenses incurred for new building such as utilities, logistic | 420.00 - |
|  | <hr/>    |
|  | 960.00   |
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### **Query (2)**

It was noted on page 14 that “Construction of the Tianjin logistic hub has been completed. Sales and marketing of the office tower and the warehouses have begun.” Please disclose:

- (a) When the construction was completed and when did sales and marketing efforts commence; and
- (b) Details on the take-up rate and how this is expected to affect the Company in the next reporting period and in the next 12 months.

### **Company’s response**

- (a) The building was completed on 29 January 2021. Sales and marketing effort started in late 2020.
- (b) The COVID-19 pandemic started in early 2020. This has affected the parallel-import of cars into China. The current take-up rate of our logistic hub is less than 10%. As the COVID-19 situation is still uncertain, we do not foresee the take-up rate to improve significantly resulting in a positive contribution from our associate in the next reporting period and the next 12 months.

By Order of the Board

Lee Tong Soon  
Managing Director

26 August 2021