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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE REGULATION ("SGX REGCO")

The Board of Directors of Pavillon Holdings Ltd. (the "**Company**") together with its subsidiaries (the "**Group**") refer to the queries raised by SGX RegCo on 22 April 2026 relating to the Company's annual report for the financial year ended 31 December 2025 ("**FY2025 Annual Report**"). The Company's responses to the queries as follow:

SGX RegCo Query 1

We note that the Company's audited Statement of Financial Position contained material adjustments from its unaudited version announced on 24 February 2026. This included material adjustments made to "contract liabilities" and "borrowings". We further note that the Company had not made a separate SGXNet announcement on these material adjustments in accordance with Listing Rule 704(6). Please announce accordingly, and in the announcement please explain the adjustments.

Company's Response

Following completion of the statutory audit, the adjustments to the audited Statement of Financial Position as compared to the unaudited version announced on 24 February 2026 are as follows:

Line Item	Unaudited (S$'000)	Audited (S$'000)	Difference (S$'000)	Note
Trade and other payables (current)	3,556	3,534	(22)	A
Contract liabilities (current)	85	107	+22	A
Borrowings (current)	6,546	5,613	(933)	B
Borrowings (non-current)	39,620	40,553	+933	B

Note A — The adjustment to contract liabilities of S$22,000 arose from a reclassification from trade and other payables (current) to contract liabilities upon finalisation of the audit.

Note B — The adjustment to borrowings arose from the reclassification of a related party loan of S$933,000 from current to non-current liabilities, following the extension of its repayment term to 31 December 2027, as disclosed in Note 24(2) of the audited financial statements.

The Company confirms that these adjustments are reclassifications in nature and do not affect the Group's total liabilities or net assets.

Overall Impact
The above adjustments are reclassifications within liabilities and do not affect the Group's total liabilities or net assets.

Compliance with Listing Rule 704(6)
The Company acknowledges that a separate announcement was not made pursuant to Listing Rule 704(6) in respect of these adjustments. The Company will ensure timely compliance with Listing Rule 704(6) in future.

SGX RegCo Query 2

We refer to Note 24 of the Company's financial statements pertaining to the Group's borrowings. Could the Company provide an update on the status of negotiations for the waiver or extension of payment terms for the S$1.273 million outstanding interest on the third-party loan? What are the potential implications if these negotiations are not resolved favorably, and what contingency plans are in place?

Company's Response

The Group is currently in the process of negotiating a waiver or extension of payment terms with the third-party lender in respect of the outstanding interest of S$1.3 million. Negotiations are ongoing and no definitive agreement has been reached as at the date of this announcement.

The Group has not received any demand for immediate repayment from the lender as at the date of this announcement.

Should the negotiations not conclude successfully, the Group will assess all available options to meet its obligations in a timely manner, including utilising its existing cash reserves and undrawn borrowing facilities available from its immediate and ultimate holding corporation.

Based on the Group's available cash reserves of S$14.9 million as at 31 December 2025 and access to undrawn borrowing facilities from its immediate and ultimate holding corporation, the Board is of the view that the Group has sufficient resources to meet its obligations as and when they fall due.

The Board will continue to monitor the situation closely and will make further announcements as and when there are material developments.

SGX RegCo Query 3

Given the Group's net loss and the Company's net current liabilities for FY2025, please elaborate on the detailed funding strategy and risk assessment for the S$33.7 million capital commitments for PRC investments disclosed at Note 30 of the Company's financial statements. Please also explain the purpose of each capital commitment. How does the Board ensure that these significant capital injections will not adversely impact the Group's liquidity and financial stability?

Company's Response

The S$33.7 million disclosed in Note 30 represents the unpaid portion of registered capital commitments in the Group's PRC subsidiaries. The capital commitments relate to the following entities and purposes:

- Tianjin Lanting Leasing Co., Ltd. (S$31.2 million) — financial leasing operations
- Daju Logistics (Tianjin) Co., Ltd. (S$2.0 million) — warehouse and logistics management
- Tianjin Fengyu Corporate Secretarial Co., Ltd. (S$0.2 million) — business secretarial services
- Nujiang Geisha Coffee Estate Co., Ltd. (S$0.2 million) — coffee plantation and retail business
- Nujiang Snow Mountain Coffee Industrial Park Co., Ltd. (S$0.2 million) — production of beverages and refined tea

Under the transitional provisions of the current PRC Company Law (effective 1 July 2024), companies established before 30 June 2024 are required to adjust their capital contribution periods to within five years by 30 June 2027. These commitments therefore do not represent immediate cash outflows.

The Board is currently reviewing the registered capital requirements of its PRC subsidiaries, including the feasibility of capital reduction for entities where operational requirements do not necessitate the full registered capital amount.

The Board adopts a prudent and phased approach in managing these capital commitments, taking into account the operational needs and financial position of each subsidiary, and will review and adjust the level and timing of capital injections in compliance with applicable PRC regulations.

<u>SGX RegCo Query 4</u>

We note that the Company's audited cash flow statement contained material adjustments from its unaudited cash flow statement announced on 24 February 2026. This included material adjustments made to "unrealised currency translation losses", "additions to property, plant and equipment", "proceeds from disposal of investment classified as FVOCI" among others. We further note that the Company had not made a separate SGXNet announcement on these material adjustments in accordance with Listing Rule 704(6). Please announce accordingly, and in the announcement please explain the adjustments.

<u>Company’s Response</u>

The differences between the unaudited cash flow statement announced on 24 February 2026 and the audited cash flow statement arose from two areas identified during the audit finalisation process: (i) the alignment of the Group's consolidated accounting treatment for its investment in Lingbao Gold Group Co., Ltd. ("**Lingbao**"); and (ii) a refinement arising from the finalisation of the property, plant and equipment movement schedules.

For ease of reference, the material adjustments are summarised as follows:

Line Item	**Unaudited (S$'000)**	**Audited (S$'000)**	**Variance (S$'000)**	**Note**
Unrealised currency translation losses	2,193	518	(1,675)	A
Income tax paid	1,875	(371)	(2,246)	A
Net cash from operating activities	**4,127**	**188**	**(3,939)**	
Additions to property, plant and equipment	(2,778)	(2,092)	686	B
Proceeds from disposal of investment classified as FVOCI	10,137	12,383	2,246	A
Net cash from investing activities	**7,610**	**10,530**	**2,920**	
Interest paid	(2,263)	(1,262)	1,001	A
Net cash from financing activities	**(4,839)**	**(3,820)**	**1,019**	
Net increase in cash and cash equivalents	**6,898**	**6,898**	**—**	
Closing cash and cash equivalents	**14,886**	**14,886**	**—**	

The key areas are as follows:

(a) Financial Assets Classification (FVOCI vs FVTPL) [Note A]

During the audit, the classification of the Group's investment in Lingbao, held through a subsidiary in the PRC, was reviewed.

- The subsidiary's local financial records had classified the Lingbao investment under Fair Value through Profit or Loss ("**FVTPL**"), which differs from the Group's accounting treatment under SFRS(I).

- At the Group consolidated level, the investment has been designated as a financial asset measured at Fair Value through Other Comprehensive Income ("**FVOCI**"), consistent with the Group's long-term strategic holding intention.
- Upon audit review, adjustments were made to align the accounting treatment at the Group consolidated level in accordance with SFRS(I).

This resulted in corresponding adjustments to the following line items in the consolidated cash flow statement:

- “Proceeds from disposal of investment classified as FVOCI” — restated to reflect gross disposal proceeds under the correct FVOCI classification at the Group level;
- “Unrealised currency translation losses” — adjusted as a consequential result of the Lingbao classification alignment, as the change from FVTPL to FVOCI affects how foreign exchange movements on the investment are reflected in the consolidated cash flow statement; and
- Other line items in the consolidated cash flow statement were correspondingly adjusted to reflect the Group consolidated treatment.

The adjustments were identified during the audit finalisation process, arising from the alignment of subsidiary-level accounting treatment with the Group's consolidated accounting policies.

(b) Additions to Property, Plant and Equipment [Note B]

During the audit finalisation process, the property, plant and equipment movement schedules were reviewed and updated, resulting in a reduction in reported additions from S$2,778,000 (unaudited) to S$2,092,000 (audited).

Overall Impact
The Company wishes to emphasise that the above adjustments do not affect the Group's net loss for the year or cash and cash equivalents. As shown in the table above, the net increase in cash and cash equivalents of S$6,898,000 and closing cash and cash equivalents of S$14,886,000 remain unchanged between the unaudited and audited statements.

Compliance with Listing Rule 704(6)
The Company acknowledges that a separate announcement was not made pursuant to Listing Rule 704(6) in respect of these adjustments. The Company will ensure timely compliance with Listing Rule 704(6) in future.

SGX RegCo Query 5

The Company had stated in its annual report that "The Audit Committee, having reviewed all non-audit services provided by the independent auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditor. The Company had not however disclosed the non-audit fees paid to its auditors. Please disclose accordingly.

Company’s Response

The audit and non-audit fees paid to the Company's independent auditor, CLA Global TS Public Accounting Corporation, for FY2025 are as follows:

	FY2025 (S$'000)
Audit fees	145
Non-audit fees	20

The Audit Committee has reviewed the non-audit services provided and is satisfied that the nature and extent of such services did not prejudice the independence and objectivity of the external auditors.

SGX RegCo Query 6

The Company's annual report had only stated the Audit Committee's comment that the internal audit function is adequately resourced. Please state the Audit Committee's comment on whether the internal audit function is independent and effective.

Company's Response

The Company has outsourced its internal audit function to Messrs Mazars LLP, which reports directly to the Chairman of the Audit Committee. The internal auditors have direct access to all records and to the Audit Committee, ensuring independence from Management.

The Audit Committee is satisfied that the internal audit function is independent, adequately resourced and effective. The Audit Committee reviews the adequacy and effectiveness of the internal audit function annually.

The Audit Committee also reviews and approves the internal audit plan and ensures that findings and recommendations are appropriately addressed by Management.

By Order of the Board

Fan Bin
Executive Chairman

24 April 2026