

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 2021

	Note	Group				Increase/ (Decrease) %
		6 mths ended Dec 2021 S\$'000	6 mths ended Dec 2020 S\$'000	12 mths ended Dec 2021 S\$'000	12 mths ended Dec 2020 S\$'000	
Revenue	4	4,323	4,756	9,362	8,486	10.3%
Other items of income						
Interest income – bank deposits		42	34	76	62	22.6%
Other income		673	1,288	1,012	2,136	-52.6%
Items of expenses						
Raw materials and changes in inventories		(1,638)	(1,652)	(3,322)	(3,002)	10.7%
Employee compensation		(3,216)	(2,882)	(6,148)	(5,693)	8.0%
Depreciation expense		(777)	(1,057)	(1,683)	(1,813)	-7.2%
Finance expenses		(79)	(98)	(143)	(135)	5.9%
Currency exchange gains - net		1	46	1	100	-98.6%
Impairment loss on financial assets at amortised cost		-	(2,372)	-	(2,372)	-100.0%
Other operating expenses		(2,422)	(1,372)	(3,371)	(2,292)	47.1%
Total expenses		(8,131)	(9,387)	(14,666)	(15,207)	-3.6%
Share of loss of associated companies		(12,526)	(277)	(15,351)	(551)	2686.0%
Loss before income tax	6	(15,619)	(3,586)	(19,566)	(5,074)	285.6%
Income tax credit	7	74	60	64	59	8.0%
Net Loss		(15,545)	(3,526)	(19,502)	(5,015)	288.9%
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss in subsequent periods (net of tax):</i>						
Currency translation differences on consolidation of foreign entities (net)		487	907	927	1,103	-16.0%
<i>Items that will not be reclassified subsequently to profit or loss in subsequent periods (net of tax)::</i>						
Currency translation differences on consolidation of foreign entities (net)		70	285	230	308	-25.3%
Fair Value gain on finance asset, at FVOCI		(348)	358	(58)	358	-116.2%
Total comprehensive loss for the period		(15,336)	(1,976)	(18,403)	(3,246)	466.9%
Net Loss attributable to:						
Equity holders of the Company		(12,945)	(2,713)	(16,124)	(4,107)	292.6%
Non-controlling interests		(2,600)	(813)	(3,378)	(908)	272.0%
		(15,545)	(3,526)	(19,502)	(5,015)	288.9%
Total comprehensive loss						
Attributable to :						
Equity holders of the Company		(12,722)	(1,533)	(15,241)	(2,732)	457.9%
Non-controlling interests		(2,614)	(443)	(3,162)	(514)	515.2%
		(15,336)	(1,976)	(18,403)	(3,246)	467.0%
Earnings per share attributable to owners of the Company		Cts	Cts	Cts	Cts	
Basic		(3.34)	(0.70)	(4.16)	(1.06)	
Diluted		(3.34)	(0.70)	(4.16)	(1.06)	

B. Condensed interim statements of financial position

		Group	
		31 December 2021 S\$'000	31 Decemeber 2020 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents		6,791	8,372
Trade and other receivables		941	498
Inventories		651	450
		<u>8,382</u>	<u>9,321</u>
Non-current assets			
Trade and other receivables - NC		417	405
Financial asset, at FVOCI	10	4,162	4,220
Investments in associated companies		7,818	22,218
Property, plant and equipment	11	2,781	4,032
		<u>15,177</u>	<u>30,875</u>
Total assets		<u>23,559</u>	<u>40,196</u>
LIABILITIES			
Current liabilities			
Trade and other payables		4,131	1,947
Current income tax liabilities		2	31
Borrowings	12	2,051	1,991
		<u>6,185</u>	<u>3,969</u>
Non-current liabilities			
Trade and other payables - NC		130	100
Borrowings - NC	12	2,141	2,585
Provisions - NC		198	198
Deferred tax liabilities - NC		48	83
		<u>2,517</u>	<u>2,966</u>
Total liabilities		<u>8,701</u>	<u>6,935</u>
NET ASSETS		<u>14,858</u>	<u>33,261</u>
EQUITY			
Capital and reserve attributable to equity holders of the Company			
Share capital	13	39,433	39,433
Other reserves		4,180	3,297
Accumulated losses		(31,192)	(15,068)
		<u>12,421</u>	<u>27,662</u>
Non-controlling interests		<u>2,437</u>	<u>5,599</u>
TOTAL EQUITY		<u>14,858</u>	<u>33,261</u>

B. Condensed interim statements of financial position (Continued)

		Company	
		31 December 2021 S\$'000	31 Decemeber 2020 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents		17	17
Trade and other receivables		771	481
		788	498
Non-current assets			
Investments in subsidiary corporations		13,452	27,558
Property, plant and equipment	11	0	2
		13,452	27,560
Total assets		14,241	28,058
LIABILITIES			
Current liabilities			
Trade and other payables		3,833	1,503
Borrowings		723	720
		4,556	2,223
Non-current liabilities			
Trade and other payables - NC		130	100
Borrowings - NC		766	1,061
		896	1,161
Total liabilities		5,452	3,384
NET ASSETS		8,789	24,674
EQUITY			
Capital and reserve attributable to equity holders of the Company			
Share capital	13	39,433	39,433
Accumulated losses		(30,645)	(14,759)
TOTAL EQUITY		8,789	24,674

C. Condensed interim statements of changes in equity

		Attributable to owners of the Company						
The Group 2021	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
Balance as at 1 January 2021	39,433	(453)	3,478	272	(15,068)	27,662	5,599	33,261
Net Loss for the year					(16,124)	(16,124)	(3,378)	(19,502)
Other comprehensive loss								
Foreign currency translation		927	-	-	-	927	230	1,157
Fair value loss on investment				(44)	-	(44)	(14)	(58)
Total other comprehensive income for the period, net of tax	-	927	-	(44)	(16,124)	(15,241)	(3,162)	(18,403)
Balance as at 31 December 2021	39,433	474	3,478	228	(31,192)	12,421	2,437	14,858
2020	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 January 2020	39,433	(1,556)	3,478	-	(10,961)	30,394	6,113	36,507
Net Loss for the year	-	-	-	-	(4,107)	(4,107)	(908)	(5,015)
Other comprehensive loss								
Foreign currency translation		1,103	-	-	-	1,103	308	1,411
Fair value gain on investment				272	-	272	86	358
Total other comprehensive income for the period, net of tax	-	1,103	-	272	(4,107)	(2,732)	(514)	(3,246)
Balance as at 31 December 2020	39,433	(453)	3,478	272	(15,068)	27,662	5,599	33,261

		Attributable to owners of the Company				
The Company 2021	Share capital S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Fair Value Reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 January 2021	39,433	-	-	-	(14,759)	24,674
Net Loss for the year					(15,885)	(15,885)
Total other comprehensive loss for the period, net of tax					(15,885)	(15,885)
Balance as at 31 Dec 2021	39,433	-	-	-	(30,645)	8,789
2020	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2020	39,433	-	-	-	(11,735)	27,698
Profit for the year	-	-	-	-	(3,024)	(3,024)
Total contributions by and distributions to owners	-	-	-	-	(3,024)	(3,024)
Balance as at 31 Dec 2020	39,433	-	-	-	(14,759)	24,674

D. Condensed interim consolidated statement of cash flows

	Group	
	12 mths ended Dec 2021 S\$'000	12 mths ended Dec 2020 S\$'000
Cash flows from operating activities :		
Net loss	(19,502)	(5,015)
Adjustments for :		
Depreciation of property, plant and equipment	1,683	1,813
Gain on disposal of property, plant and equipment	(23)	(241)
Gain on lease modification relating to termination of the lease	-	(11)
Rental concession	(62)	(646)
Income tax credit	(64)	(59)
Interest expense	143	135
Interest income	(76)	(62)
Impairment loss on property, plant and equipment	-	-
Share of loss on associated company	15,351	551
Property, plant and equipment written off	1	9
Unrealised currency translation difference	21	(123)
Operating loss before working capital changes	(2,528)	(3,649)
Cash flows from operating activities		
Inventories	(202)	550
Trade and other receivables	(454)	4,517
Trade and other payables	2,215	(2,141)
Provisions	-	(20)
Cash flows used in operations	(969)	(743)
Income taxes paid	-	-
Net cash flows used in operating activities	(969)	(743)
Cash flows from investing activities		
Additions of property, plant and equipment	(155)	(692)
Proceeds from disposal of property, plant and equipment	34	241
Interest received	76	62
Net cash used in investing activities	(45)	(389)
Cash flows from financing activities		
Principal payment of lease liabilities	(1,245)	(868)
Proceeds from borrowing	1,000	1,500
Principal payment of borrowing	(348)	(139)
Interest Paid	(143)	(135)
Net cash (used in)/ provided by financing activities	(736)	358
Net decrease in cash and cash equivalents	(1,750)	(774)
Beginning of the financial year	7,952	8,300
Effect of currency translation on cash and cash equivalents	174	426
Cash and cash equivalents at end of the financial year	6,376	7,952
Reconciliation of Cash and cash equivalents		
Cash and cash equivalents at end of the financial year	6,791	8,372
Less Bank overdraft	(415)	(420)
Cash and cash equivalents per consolidated statement of cashflow	6,376	7,952

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 2021 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 year ended 31 December 2020.

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.

Going concern assumptions

During the financial year ended 31 December 2021, the Group incurred a net loss of S\$19,502,000 (31 December 2020: S\$5,015,000) and net cash used in operating activities of S\$969,000 (2020: S\$743,000). The Board of Directors has assessed that the going concern basis of preparation for this set of financial statements remains appropriate due to the following reason :

- a) Group has sufficient cash to fund the operations of the Group as the Group is in net current assets and net assets position of S\$2,197,000, and S\$14,858,000, respectively as at 31 December 2021.
- b) Finance assets \$4M can dispose of if needed.
- c) The losses are mainly from markdown of investment in the associated company which has no impact on the company cash flow.

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 2021.

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:

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 2020.

3. Seasonal operations

The Group's businesses for January to April 2021 was not affected significantly by seasonal or cyclical factors. The restaurant business in Singapore was affected by Phase 2 (Heightened Alert) from May 2021 to August 2021. The business has since shown improvement when the government relaxed the restriction to allow for 5 people to dine in.

4. Segment and revenue information

The Group is organised into the following main business segments :

These operating segments are reported in a manner consistent with internal reporting provided to Mr Lee Tong Soon who are responsible for allocating resources and assessing performance of the operating segments

4.1. Reportable segments

	Food & beverages	Leasing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 July 2021 to 31 December 2021					
Revenue	4,289	6	-	456	4,751
Inter-segment revenue	-	-	-	(428)	(428)
Revenue from external parties	4,289	6	-	28	4,323
Interest Income	-	42	-	-	42
Miscellaneous Income	496	-	-	177	673
Total other income	496	42	-	177	715
Total revenue and other income	4,785	48	-	204	5,038
Depreciation of property, plant and equipment	(696)	(69)	(11)	-	(777)
Finance expenses	(39)	(6)	-	(34)	(79)
Segment profit Unallocated expenses	(3,612)	(2,115)	(9)	(1,539)	(7,274)
Share of loss of associated company	-	(12,526)	-	-	(12,526)
Profit/(Loss) before taxation	438	(14,668)	(20)	(1,369)	(15,619)
Taxation					74
Net Loss					(15,545)
Segment assets	6,650	8,849	175	67	15,741
Investment in associated companies	-	7,818	-	-	7,818
Deferred income tax assets	-	-	-	-	-
Total assets per statement of financial position					23,559
Expenditures for segment non-current assets					
- Additions to PPE	16	104	-	-	120
Segment liabilities	3,924	2,540	20	2,156	8,640
Current income tax liabilities	2	-	-	-	2
Deferred income tax liabilities	48	-	-	-	48
Total liabilities per statement of financial position					8,690

4.1. Reportable segments (continued)

1 July 2020 to 31 December 2020

	Food & beverages	Leasing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	4,459	-	497	500	5,456
Inter-segment revenue	-	-	(256)	(444)	(700)
Revenue from external parties	4,459	-	241	56	4,756
Interest Income	-	33	1	-	34
Miscellaneous Income	941	(2)	157	192	1,288
Total other income	941	31	158	192	1,322
Total revenue and other income	5,399	31	399	249	6,078
Depreciation of property, plant and equipment	(829)	(1)	(225)	(2)	(1,057)
Impairment loss on finance lease receivables	-	(2,372)	-	-	(2,372)
Finance expenses	(58)	-	(4)	(36)	(98)
Segment profit Unallocated expenses	(3,836)	(383)	(369)	(1,271)	(5,859)
Share of loss of associated company	-	(277)	-	-	(277)
Profit/(Loss) before taxation	676	(3,003)	(199)	(1,060)	(3,586)
Taxation					60
Net Loss					(3,526)
Segment assets	7,775	9,538	537	128	17,978
Investment in associated companies	-	22,218	-	-	22,218
Total assets per statement of financial position					40,196
Expenditures for segment non-current assets					
- Additions to PPE	3,053	-	2	5	3,060
Segment liabilities	3,478	715	313	2,314	6,820
Current income tax liabilities	31	-	-	-	31
Deferred income tax liabilities	84	-	-	-	84
Total liabilities per statement of financial position					6,935

4.1. Reportable segments (continued)

	Food & beverages	Leasing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 January 2021 to 31 December 2021					
Revenue	9,212	13	63	992	10,280
Inter-segment revenue	-	-	-	(918)	(918)
Revenue from external parties	9,212	13	63	74	9,362
Interest Income	-	76	-	-	76
Miscellaneous Income	765	-	24	223	1,012
Total other income	765	76	24	223	1,087
Total revenue and other income	9,977	89	87	297	10,450
Depreciation of property, plant and equipment	(1,399)	(69)	(213)	(2)	(1,683)
Finance expenses	(76)	(6)	(1)	(59)	(143)
Segment profit Unallocated expenses	(7,290)	(2,550)	(66)	(2,934)	(12,840)
Share of loss of associated company	-	(15,351)	-	-	(15,351)
Profit/(Loss) before taxation	1,212	(17,888)	(193)	(2,698)	(19,566)
Taxation					64
Net Loss					(19,502)
Segment assets	6,650	8,849	175	67	15,741
Investment in associated companies	-	7,818	-	-	7,818
Deferred income tax assets					-
Total assets per statement of financial position					23,559
Expenditures for segment non-current assets					
- Additions to PPE	50	105	-	-	155
Segment liabilities	3,924	2,540	20	2,156	8,640
Current income tax liabilities	2	-	-	-	2
Deferred income tax liabilities	48	-	-	-	48
Total liabilities per statement of financial position					8,690

4.1. Reportable segments (continued)

1 January 2020 to 31 December 2020

	Food & beverages	Leasing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	8,075	-	541	926	9,542
Inter-segment revenue	(6)	-	(256)	(794)	(1,056)
Revenue from external parties	8,069	-	285	132	8,486
Interest Income	-	61	1	-	62
Miscellaneous Income	1,654	-	157	325	2,136
Total other income	1,654	61	158	325	2,198
Total revenue and other income	9,723	61	443	457	10,684
Depreciation of property, plant and equipment	(1,399)	(3)	(408)	(3)	(1,813)
Impairment loss on finance lease receivables	-	(2,372)	-	-	(2,372)
Finance expenses	(82)	-	(11)	(42)	(135)
Segment profit Unallocated expenses	(7,304)	(673)	(383)	(2,526)	(10,887)
Share of loss of associated company	-	(551)	-	-	(551)
Profit/(Loss) before taxation	938	(3,538)	(359)	(2,114)	(5,074)
Taxation					59
Net Loss					(5,015)
Segment assets	7,775	9,538	537	128	17,978
Investment in associated companies	-	22,218	-	-	22,218
Deferred income tax assets					-
Total assets per statement of financial position					40,196
Expenditures for segment non-current assets					
- Additions to PPE	3,053	-	2	5	3,060
Segment liabilities	3,478	715	313	2,314	6,820
Current income tax liabilities	31	-	-	-	31
Deferred income tax liabilities	84	-	-	-	84
Total liabilities per statement of financial position					6,935

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					
6 months ended 31 December 2021					
Food & beverages	Leasing	Properties	Other	Total	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Types of goods or service:					
Sale of goods	4,289	-	-	28	4,317
Rendering of services	-	6	-	-	6
Total revenue	4,289	6	-	28	4,323
Timing of revenue recognition:					
At a point in time	4,289	6	-	-	4,295
Over time	-	-	-	28	28
Total revenue	4,289	6	-	28	4,323
Geographical information:					
Singapore	4,289	-	-	-	4,289
Vietnam	-	-	-	18	18
PRC	-	6	-	10	16
Total revenue:	4,289	6	-	28	4,323

The Group					
6 months ended 31 December 2020					
Food & beverages	Leasing	Properties	Other	Total	
Types of goods or service:					
Sale of goods	4,458	-	-	57	4,515
Rental income	-	-	241	-	241
Total revenue	4,458	-	241	57	4,756
Timing of revenue recognition:					
At a point in time	4,458	-	241	-	4,699
Over time	-	-	-	57	57
Total revenue	4,458	-	241	57	4,756
Geographical information:					
Singapore	4,458	-	-	-	4,458
Vietnam	-	-	-	28	28
PRC	-	-	241	29	270
Total revenue:	4,458	-	241	57	4,755

The Group					
12 months ended 31 December 2021					
Food & beverages	Leasing	Properties	Other	Total	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Types of goods or service:					
Sale of goods	9,212	-	-	74	9,286
Rendering of services	-	6	-	-	6
Rental income	-	7	63	-	70
Total revenue	9,212	13	63	74	9,362
Timing of revenue recognition:					
At a point in time	9,212	6	-	-	9,218
Over time	-	7	63	74	144
Total revenue	9,212	13	63	74	9,362
Geographical information:					
Singapore	9,212	-	-	-	9,212
Vietnam	-	-	-	42	42
PRC	-	13	63	32	108
Total revenue:	9,212	13	63	74	9,362

The Group					
12 months ended 31 December 2020					
Food & beverages	Leasing	Properties	Other	Total	
Types of goods or service:					
Sale of goods	8,069	-	-	132	8,201
Rendering of services	-	-	-	-	-
Rental income	-	-	285	-	285
Total revenue	8,069	-	285	132	8,486
Timing of revenue recognition:					
At a point in time	8,069	-	285	-	8,354
Over time	-	-	-	132	132
Total revenue	8,069	-	285	132	8,486
Geographical information:					
Singapore	8,069	-	-	-	8,069
Vietnam	-	-	-	51	51
PRC	-	-	285	81	366
Total revenue:	8,069	-	285	132	8,486

4.2. Disaggregation of Revenue (Continued)

A breakdown of sales:

	The Group		
	Financial year ending 31 December 2021	Financial year ending 31 December 2020	Increase / (Decrease)
	\$'000	\$'000	%
Sales reported for the first half year	5,039	3,730	35%
Operating loss after tax before deducting non-controlling interests reported for first half year	(3,957)	(1,489)	166%
Sales reported for second half year	4,323	4,756	-9%
Operating loss after tax before deducting non-controlling interests reported for second half year	(15,545)	(3,526)	341%

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 2021 and 31 December 2020

	Note	Group		Company	
		31-Dec-21 S\$'000	31-Dec-20 S\$'000	31-Dec-21 S\$'000	31-Dec-20 S\$'000
Financial Assets					
Financial assets at fair value through other comprehensive income (FVOCI)	10	4,162	4,220	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		7,463	9,186	762	460
		<u>11,625</u>	<u>13,406</u>	<u>762</u>	<u>460</u>
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		8,453	6,622	5,452	3,384

6. Loss before taxation

6.1. Significant items

	Group			
	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Income				
Interest income	42	34	76	62
Expenses				
Interest on borrowings	52	121	87	135
Depreciation of property, plant and equipment and investment properties	778	1,057	1,683	1,813
Foreign exchange gain, net	(1)	-	(1)	-
Other income				
Government Grant	633	1,098	886	1,585
Rebate due to Covid-19	37	98	66	157
Recovery of rental deposit previously written off	-	-	22	-
Gain on disposal of property, plant and equipment	0	5	23	241
Gain on lease modification relating to termination of the lease	-	11	-	11
Others	2	76	16	142
	<u>672</u>	<u>1,288</u>	<u>1,012</u>	<u>2,136</u>

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

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:

	6 months ended 31 December 2021 S\$'000	6 months ended 31 December 2020 S\$'000	12 months ended 31 December 2021 S\$'000	12 months ended 31 December 2020 S\$'000
Current Income Tax expenses	(74)	(60)	(29)	(43)
Deferred Income tax expenses relating to origination and reversal of temporary difference	0	0	(35)	(16)
Income tax credit recongised in Profit and Loss	<u>(74)</u>	<u>(60)</u>	<u>(64)</u>	<u>(59)</u>

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 31/12/2021	As at 31/12/2020	As at 31/12/2021	As at 31/12/2020
	Cts	Cts	Cts	Cts
Net asset value per ordinary share	3.20	7.13	2.27	6.36

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-21 S\$'000	31-Dec-20 S\$'000
Unquoted equity security – Lingbao Gold Group Co., Ltd (“Lingbao”)		
Beginning of financial year	4,220	3,862
Fair value gains/(losses)	(58)	358
End of financial year	4,162	4,220

The financial asset, at FVOCI represents 1.15% 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 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group – 31 Decemeber 2021				
Financial assets				
FVOCI investments (Quoted investments)	-	4,162	-	4,162
<hr/>				
Group – 31 December 2020				
Financial assets				
FVOCI investments (Quoted investments)	-	4,220	-	4,220
<hr/>				

11. Property, plant and equipment

During the year ended 31 December 2021, the Group acquired assets amounting to \$155,000 (31 December 2020: \$692,000) and disposed of assets amounting to \$23,000 (31 December 2020: \$241,000)

12. Borrowings

	Group	
	31-Dec-21	31-Dec-20
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdrafts - Unsecured	415	420
Bank borrowings - Unsecured	496	300
Lease liabilities Unsecured	1,140	1,271
	2,051	1,991
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	1,518	1,061
Lease liabilities Unsecured	623	1,524
	2,141	2,585

	Company	
	31-Dec-21	31-Dec-20
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdrafts - Unsecured	415	420
Bank borrowings - Unsecured	309	300
	723	720
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	766	1,061
	766	1,061

13. Share capital

	Group		Company	
	As at 31/12/2021		As at 31/12/2021	
	Number of shares	Amount S\$	Number of shares	Amount S\$
Beginning and end interim period	387,748,700	39,433,461	387,748,700	39,433,461

The Company did not hold any treasury shares as at 31 December 2021

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020

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 2021 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

Total Revenue from Singapore operation has increased 10% in year 2021 as compared to FY2020, mainly due to the relaxation of the Covid 19 restriction in the first half of 2021.

Interest Income

As deposits was placed longer period in FY 2021, interest income is higher compared to FY2020 .

Other Income

Other income for the year 2021 was lower as compared to year 2020, due to lesser grants from government.

Raw materials and changes in inventories

Raw materials consumption has increased 10.7% proportional to the increase in the Food and Beverages business in 2021.

Employee compensation

Employee compensation cost increased 8% due to provision of Retrenchment cost of \$153K in China. In Singapore, payroll cost increased due to improvement of F & B business.

Depreciation expenses

Depreciation was reduced mainly due to most of the fixed assets in China being disposed of.

Finance expenses

The finance expenses increased due to additional new bridging loan.

Other operating expenses

Other operating expenses increased by 47% mainly due to write off VAT Receivable in China \$1.38M .

Share of loss of associated companies

Due to the challenging economic conditions, the investment property in Tianjin logistic hub has not yet generated positive return resulting in markdown of the value by S\$15m of the investment in associate company.

Review of Financial Position as at 31 December 2021

Property, plant and equipment

Reduction of fixed assets mainly due to the value decreased of right-of-use assets and depreciation over the year.

Trade and other receivable - Current

The increase of trade and other receivables as compared the last year mainly due to prepayment of the car washing machine equipment.

Inventories

Inventories increased due to the new shipment arrived in Dec 2021, as management foresee up pick of F & B businesses in 2022.

Financial Assets, at FVOCI

Financial Assets at FVOCI has reduced by \$58k due to fair value loss.

Investment in Associated companies

The investment property in Tianjin logistic hub has not yet generated positive return resulting in markdown of the value of the investment in associate company.

Liabilities

Trade and other payables - Current

The Trade & other payables have increased mainly due to favorable payment terms given by suppliers and purchases of high-value stocks in December 2021

Finance lease liabilities - Current/Non-current

Finance Lease Liabilities reduced due to repayment of lease.

Borrowings Current/Non-Current

The group has obtained a new bank bridging loan of \$1M.

Review of Consolidated Cash Flows

Net cash outflow of \$969K from operating activities, mainly due to the poor business environment caused by Covid 19 pandemic.

Net cash outflow of \$736K used in financing activities for financial period 2021 compared to net cash inflow of \$358K for financial period 1 2020, mainly due to additional new bridging loan of \$1M. Cash outflow was due to repayment of lease liabilities and borrowing.

Cash and Cash equivalent as of 31 Dec 2021 was S\$6.8m, which consists of a Fixed deposit of S\$1.4m and a Cash & Bank Balance of S\$5.4m compared to \$8m from Cash and Bank Balance as of 31 December 2020.

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.

Although the group F & B business has improved, it continues to remain challenging due to Covid 19 pandemic and also the absence of tourists. The investment asset in Tianjin logistic hub has not yet generated positive return resulting in markdown of the value of the investment in associate company. The operation of the Tianjin logistic hub remain challenging.

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 company require capital for operation 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

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

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 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Tong Soon
Managing Director

Singapore
25/2/2022