

PAVILLON HOLDINGS LTD

Half-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 ended 30 June 2023

	Note	Group		Increase/ (Decrease) %
		Jan 2023 - June 2023	Jan 2022 - June 2022	
		S\$'000	S\$'000	
Revenue	4	9,625	8,279	16.3%
Other items of income				
Interest income	4	962	34	2729.4%
Other income	4	195	155	25.8%
Items of expenses				
Raw materials and changes in inventories		(2,982)	(2,986)	-0.1%
Employee compensation		(2,819)	(3,280)	-14.1%
Depreciation expense		(688)	(771)	-10.7%
Finance expenses		(72)	(64)	12.5%
Currency exchange Loss - net		(1,299)	-	NM
Other operating expenses		(1,248)	(1,435)	-13.0%
Total expenses		(9,108)	(8,536)	6.7%
Share of loss of associated companies		(1,288)	(1,546)	-16.7%
Profit / (loss) before income tax	6	386	(1,614)	-123.9%
Income tax expenses	7	(89)	(54)	64.8%
Net Profit/(Loss)		297	(1,669)	-117.8%
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)		(471)	(174)	170.7%
<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)		40	(73)	
Total comprehensive loss for the period		(134)	(1,917)	-93.0%
Net Profit/ (Loss) attributable to:				
Equity holders of the Company		300	(4,255)	-107.1%
Non-controlling interests		(3)	2,586	-100.1%
		297	(1,669)	-117.8%
Total comprehensive loss				
Attributable to :				
Equity holders of the Company		(171)	(4,429)	-96.1%
Non-controlling interests		37	2,512	-98.5%
		(134)	(1,917)	-93.0%
Earnings per share attributable to owners of the Company		Cts	Cts	
Basic		0.021	(1.10)	
Diluted		0.021	(1.10)	

B. Condensed interim statements of financial position

		Group	
		30 June 2023	31 December 2022
		S\$'000	S\$'000
ASSETS			
Current assets			
		4,498	3,566
		278	1,881
		2,144	1,434
		<u>6,920</u>	<u>6,881</u>
Non-current assets			
		39,290	39,655
	5,10	4,294	4,294
		11,997	12,963
		0	0
	11	3,505	2,209
		<u>59,086</u>	<u>59,121</u>
Total assets		<u>66,006</u>	<u>66,002</u>
LIABILITIES			
Current liabilities			
		2,851	3,595
		37	44
		157	96
	12	1,542	1,507
		<u>4,588</u>	<u>5,242</u>
Non-current liabilities			
		100	100
	12	2,510	1,717
		198	198
		48	48
		<u>2,856</u>	<u>2,063</u>
Total liabilities		<u>7,443</u>	<u>7,305</u>
NET ASSETS		<u>58,563</u>	<u>58,697</u>
EQUITY			
		82,097	82,097
	13	3,425	3,894
		(32,255)	(31,866)
		<u>53,267</u>	<u>54,125</u>
Non-controlling interests		<u>5,296</u>	<u>4,572</u>
TOTAL EQUITY		<u>58,563</u>	<u>58,697</u>

B. Condensed interim statements of financial position (Continued)

		Company	
		30 June 2023	31 December 2022
		S\$'000	S\$'000
ASSETS			
Current assets			
		96	17
		5,497	1,079
		<u>5,593</u>	<u>1,096</u>
Non-current assets			
		38,891	39,251
		9,633	12,482
	11	0	0
		<u>48,524</u>	<u>51,733</u>
Total assets		<u>54,117</u>	<u>52,829</u>
LIABILITIES			
Current liabilities			
		5,939	5,340
	12	309	697
		<u>6,248</u>	<u>6,037</u>
Non-current liabilities			
		100	100
	12	319	461
		<u>419</u>	<u>561</u>
Total liabilities		<u>6,667</u>	<u>6,598</u>
NET ASSETS		<u>47,450</u>	<u>46,231</u>
EQUITY			
		82,097	82,097
	13	(34,647)	(35,866)
TOTAL EQUITY		<u>47,450</u>	<u>46,231</u>

C. Condensed interim statements of changes in equity

Attributable to owners of the Company									
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	
Balance as at 1 January 2023	82,097	88	3,478	328	(31,866)	54,125	4,572	58,697	
Profit/(loss) for the period	-	-	-	-	300	300	(3)	297	
<u>Other comprehensive loss</u>									
Foreign currency translation	-	(471)	-	-	-	(471)	40	(431)	
Total other comprehensive (loss)/income for the period, net of tax	-	(471)	-	-	300	(171)	37	(134)	
Effect of changes in shareholdings in a subsidiary corporation without change of control	-	-	-	-	(687)	(687)	687	-	
Total contributions by and distributions to owners	-	-	-	-	(687)	(687)	687	-	
Balance as at 30 June 2023	82,097	(383)	3,478	328	(32,253)	53,267	5,296	58,563	

2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 January 2022	39,433	474	3,478	228	(31,192)	12,421	2,437	14,858	
Profit/(loss) for the period	-	-	-	-	(4,255)	(4,255)	2,586	(1,669)	
<u>Other comprehensive loss</u>									
Foreign currency translation	-	(174)	-	-	-	(174)	(73)	(247)	
Total other comprehensive (loss)/income for the period, net of tax	-	(174)	-	-	(4,255)	(4,428)	2,512	(1,917)	
Balance as at 30 June 2022	39,433	300	3,478	228	(35,447)	7,993	4,950	12,943	

Attributable to owners of the Company			
The Company 2023	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 January 2023	82,097	(35,866)	46,231
Profit for the period	-	1,219	1,219
Total other comprehensive income for the period, net of tax	-	1,219	1,219
Balance as at 30 June 2023	82,097	(34,647)	47,450
2022	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2022	39,433	(30,644)	8,789
Loss for the period	-	(643)	(643)
Total other comprehensive (loss)/income for the period, net of tax	-	(643)	(643)
Balance as at 30 June 2022	39,433	(31,287)	8,146

D. Condensed interim consolidated statement of cash flows

	Group	
	Jan 2023 - June 2023 S\$'000	Jan 2022 - June 2022 S\$'000
Cash flows from operating activities :		
Net profit/(loss)	297	(1,669)
Adjustments for :		
Depreciation of property, plant and equipment	688	771
Gain on disposal of property, plant and equipment	-	(21)
Income tax expense	89	54
Interest expense	72	65
Interest income	(962)	(34)
Share of loss of associated company	1,288	1,546
Property, plant and equipment written off	1	-
Unrealised currency translation difference	1,352	22
Operating cash flows before working capital changes	2,825	734
Cash flows from operating activities		
Inventories	(709)	(697)
Trade and other receivables	82	283
Trade and other payables	(745)	(324)
Contract liabilities	(7)	-
Cash flows generated from/(used in) operations	1,446	(4)
Income taxes paid	(28)	-
Net cash flows provided by/(used in) operating activities	1,418	(4)
Cash flows from investing activities		
Additions to property, plant and equipment	(34)	(592)
Investment in an associated company	(766)	-
Proceeds from disposal of property, plant and equipment	40	21
Repayment by associated company	1,536	-
Interest received	12	34
Net cash provided by/(used in) investing activities	788	(537)
Cash flows from financing activities		
Principal payment of lease liabilities	(536)	(605)
Principal payment of borrowing	(628)	(241)
Interest Paid	(72)	(64)
Net cash used in financing activities	(1,235)	(910)
Net increase/(decrease) in cash and cash equivalents	971	(1,451)
Beginning of the reporting period	3,566	6,375
Effect of currency translation on cash and cash equivalents	(39)	(78)
Cash and cash equivalents at end of reporting period	4,498	4,846
Reconciliation of Cash and cash equivalents		
Cash and cash equivalents at end of reporting period	4,498	5,261
Less Bank overdraft	-	(414)
Cash and cash equivalents per consolidated statement of cashflow	4,498	4,846

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 interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. The condensed interim 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 annual financial statements for the 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 interim 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.

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 Group's businesses for Jan 2023 to Jun 2023 are not affected significantly by seasonal or cyclical factors. However, the F & B business in Singapore has improved due to the relaxation of COVID-19 safe management measures by the authority.

4. Segment and revenue information

The Group is organised into the following main business segments

4.1. Reportable segments

	Food & beverages	Car Washing	Properties	Other	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1 Jan 2023 to 30 Jun 2023						
Revenue from external parties	9,625	-	-	-	-	9,625
Inter-segment revenue	961	-	-	-	(961)	-
Revenue	10,586	-	-	-	(961)	9,625
Dividend Income	-	-	-	-	-	-
Interest Income	8	3	11	940	-	962
Miscellaneous Income	162	2	0	29	-	195
Total other income	171	5	11	969	-	1,157
Total revenue and other income	9,796	5	11	969	-	10,782
Depreciation of property, plant and equipment	(687)	(1)	-	(0)	-	(688)
Finance expenses	(60)	-	-	(12)	-	(72)
Segment profit/(loss)	2,686	(64)	(40)	281	(1,189)	1,674
Share of Ptofit/(loss) of associated company	-	-	(707)	(581)	-	(1,288)
Profit/(Loss) before taxation						386
Taxation						(89)
Net Profit						297
Segment assets	16,743	5,447	1,726	83,296	(53,202)	54,009
Investment in associated companies	-	-	11,997	-	-	11,997
Deferred income tax assets						-
Total assets per statement of financial position						66,006
Expenditures for segment non-current assets						
- Additions to PPE	34	-	-	-	-	34
Segment liabilities	9,095	(22)	20,779	15,976	(38,590)	7,238
Current income tax liabilities	157	-	-	-	-	157
Deferred income tax liabilities	48	-	-	-	-	48
Total liabilities per statement of financial position						7,443

4.1. Reportable segments (cont'd)

	Food & beverages S\$'000	Car Washing S\$'000	Properties S\$'000	Other S\$'000	Elimination S\$'000	Total S\$'000
1 Jan 2022 to 30 Jun 2022						
Revenue from external parties	8,246	33	-	-	-	8,279
Inter-segment revenue	791	-	-	-	(791)	-
Revenue	9,037	33	-	-	(791)	8,279
Interest Income	-	34	-	-	-	34
Miscellaneous Income	132	-	21	2	-	155
Total other income	132	34	21	2	-	189
Total revenue and other income	8,378	67	21	2	-	8,468
Depreciation of property, plant and equipment	(684)	(86)	-	(1)	-	(771)
Finance expenses	(36)	(4)	-	(24)	-	(64)
Segment profit	2,137	(521)	(11,930)	10,246	-	(68)
Share of loss of associated company	-	-	(1,546)	-	-	(1,546)
Profit/(Loss) before taxation						(1,615)
Taxation						(54)
Net Loss						(1,669)
Segment assets	12,303	7,715	8,033	26,934	(34,457)	20,528
Investment in associated companies	-	-	-	-	-	-
Deferred income tax assets						-
Total assets per statement of financial position						20,528
Expenditures for segment non-current assets						
- Additions to PPE	181	411	-	-	-	592
Segment liabilities	7,386	222	22,243	12,207	(34,577)	7,481
Current income tax liabilities	56	-	-	-	-	56
Deferred income tax liabilities	48	-	-	-	-	48
Total liabilities per statement of financial position						7,585

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 30 June 2023					
	Food & beverages	Car Washing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Types of goods or service:					
Sale of goods and royalty fees	9,625	-	-	-	9,625
Total revenue	9,625	-	-	-	9,625
Timing of revenue recognition:					
At a point in time	9,571	-	-	-	9,571
Over time	54	-	-	-	54
Total revenue	9,625	-	-	-	9,625
Geographical information:					
Singapore	9,571	-	-	-	9,571
Vietnam	28	-	-	-	28
PRC	26	-	-	-	26
Total revenue:	9,625	-	-	-	9,625

The Group					
6 months ended 30 June 2022					
	Food & beverages	Car Washing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Types of goods or service:					
Sale of goods and royalty fees	8,246	33	-	-	8,279
Total revenue	8,246	33	-	-	8,279
Timing of revenue recognition:					
At a point in time	8,126	33	-	-	8,159
Over time	120	-	-	-	120
Total revenue	8,246	33	-	-	8,279
Geographical information:					
Singapore	8,211	-	-	-	8,211
Vietnam	32	-	-	-	32
PRC	3	33	-	-	37
Total revenue:	8,246	33	-	-	8,279

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022

	Note	Group		Company	
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
		S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets					
Financial assets at fair value through other comprehensive income (FVOCI)	10	4,294	4,294	-	-
Cash and bank balances and trade and other receivables (Amortised cost)		44,015	45,083	44,447	40,345
		48,309	49,377	44,447	40,345
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		7,002	6,919	6,667	6,598

6. Profit / (Loss) before taxation

6.1. Significant items

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	S\$'000	S\$'000
Income		
Interest income	962	34
Expenses		
Interest on borrowings	28	47
Depreciation of property, plant and equipment	688	771
Foreign exchange loss, net	1,299	-
Other income		
Government Grant	147	105
Rebate due to Covid-19	-	20
Gain on disposal of property, plant and equipment	-	21
Others	48	9
	195	155

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

	Group	
	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022
	S\$'000	S\$'000
Associated company		
Interest income	950	-
Repayment of loan by associated compabny	1,536	-
Capital injection to Daju Logistics (Tianjin) Co., Ltd	766	-

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:

	Group	
	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022
	S\$'000	S\$'000
Current Income Tax expenses	89	54
Income tax expense reconginsed in Profit and Loss	89	54

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 30/06/2023	As at 31/12/2022	As at 30/06/2023	As at 31/12/2022
	Cts	Cts	Cts	Cts
Net asset value per ordinary share	3.71	3.77	3.31	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	
	30-Jun-23 S\$'000	31-Dec-22 S\$'000
Unquoted equity security – Lingbao Gold Group Co., Ltd (“Lingbao”)		
Beginning of financial year	4,294	4,162
Addition	-	-
Fair value gains	-	132
End of financial year	4,294	4,294

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 – 30 June 2023				
Financial assets				
FVOCI investments	-	4,294	-	4,294
Group – 31 December 2022				
Financial assets				
FVOCI investments	-	4,294	-	4,294

11. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to \$34,000 (30 June 2022: \$592,000) and dispose of assets for \$40,000 (30 June 2022: \$21,000)

12. Borrowings

	Group	
	30-Jun-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	508	513
Lease liabilities - Unsecured	1,034	615
	<u>1,542</u>	<u>1,507</u>
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	775	1,018
Lease liabilities - Unsecured	1,734	699
	<u>2,510</u>	<u>1,717</u>

	Company	
	30-Jun-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	309	318
	<u>309</u>	<u>697</u>
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	319	461
	<u>319</u>	<u>461</u>

13. Share capital

	The Group and the Company			
	As at 30/6/2023		As at 31/12/2022	
	Number of shares	Amount S\$	Number of shares	Amount S\$
Beginning of interim period	1,434,967,260	82,097,402	387,748,700	39,433,461
Share Issued			1,047,218,560	42,663,941
End of interim period	<u>1,434,967,260</u>	<u>82,097,402</u>	<u>1,434,967,260</u>	<u>82,097,402</u>

The Company did not hold any treasury shares as at 30 June 2023

The Company's subsidiaries do not hold any shares in the Company as at 30 June 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 30 June 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 six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

Total revenue of the Group has increased by approximately S\$1.3 million as compared to the period ended 30/06/2022 mainly due to increased selling price of F & B items.

Interest Income

Higher interest income is mainly derived from RMB 200 m loan extended by the company to its associated company.

Other Income

Other income for the period Jan to Jun 2023 was \$40K higher when compared to Jan to Jun 2022. This is mainly due to higher grants received from the government.

Raw materials and changes in inventories

The company increased the selling price of F & B business which lead to higher revenue. At the same time, the company is able to contain the raw material cost with better cost management.

Employee compensation

Employee compensation was reduced by \$461K when compared to the period Jan to Jun 2022. This is mainly due to the reduction of manpower costs in subsidiaries in China and the HQ management costs.

Depreciaton expenses

Depreciation decreased by S\$83k as compared to 30 June 2022. This was due to fixed assets written off in China.

Finance expenses

Finance expenses comprise Bank borrowing expenses of S\$25k and S\$47K for lease interest expenses.

Other operating expenses

Other operating expenses decreased by S\$187K as compared to last year's first 6 months mainly due to the following reasons:

- 1) Lower professional fees of S\$67K.
 - 2) Reduction of S\$97K from vehicle, office and housing rental expenses in China.
 - 3) Reduced traveling costs of S\$30K.
 - 4) Reduced consumable items by S\$24K.
 - 5) Reduced Entertainment expenses by S\$13K.
 - 6) Reduced software license fees by S\$20K.
 - 7) Reduced general expenses by S\$13K
- offset by increment of the following expenses.
- 8) Credit card charges of S\$35K
 - 9) Cleaning expenses of S\$37K
 - 10) Stamp duty of S\$20K.

Share of loss of associated companies

There was a share of loss of the associated companies at S\$1.288M for the period Jan to Jun 2023.

Net Profit

Net profit is \$297K for the period ended 30 Jun 2023 due to the above factors.

Review of Financial Position as at 30 Jun 2023

Property, plant and equipment

The increase of fixed assets by S\$1.3 m is mainly due to a increased right-of-use assets.

Trade and other receivable - Current

The reduction of receivable of S\$1.5 m is mainly due to repayment of debts by associated company.

Inventories

The company has built up raw material stock to address possible disruption supply chain.

Investment in Associated companies

Value decreased due to share of loss of associated companies for the period Jan to Jun 2023.

Liabilities

Trade and other payables - Current

The Trade & other payables have reduced mainly due to:

1) shortages of overseas supplies that lead to suppliers reducing their credit terms.

Borrowings

Borrowings increased by \$828K mainly due to renewal of leasing contract.

Review of Consolidated Cash Flows

The improvement of net cashflow from operating activities is mainly due to improvement of the company F & B businesses.

Net cashflow from investment activities is mainly derived from the repayment of the loan by associated company at the same time, the company also invested in a new associated company.

Net cash outflow of \$1235K used in financing activities for period Jan to Jun 2023 compared to net cash outflow of \$910K for period 1 Jan 2022 to 30 Jun 2022 was mainly due to no lease liabilities in China and also repayment of Singapore borrowing.

Cash and cash equivalent as of 30 June 2023 was S\$4.5m including of a Fixed deposit of S\$1 m as compared to a Cash & bank equivalent of \$5.2 m as of 30 Jun 22 including a fixed deposit of \$882K.

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's F & B business has improved in the first half of 2023 as compared to the corresponding period on 2022. However, any disruption and delay of overseas supplies may drive up the cost of raw materials.

The uncertainty of the Chinese economy continue to present challengers to our logistic hub business in Tianjin.

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 obtained a general mandate from Shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii).

Aggregate value of interested person transaction entered from 1 January 2023 to 30 Jun 2023.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
Mr Ding Furu	Mr Ding Furu holds 51% equity interest in Fengchi IOT Management Co., Ltd and Daju Logistics(Tianjin) Co, Ltd through Shanghai Liuyu Information Technology Co Ltd. He is also a Director and controlling shareholder of Shanghai New Development Enterprise Management Co., Ltd. And Shanghai Liuyu information Technology Co Ltd. He is also the controlling shareholder of Pavillon Holdings Ltd through his interest in New Development Hotel Management Pte Ltd.		
	Loan repayment from associated companies Fengchi IOT Management Co., Ltd	-	1,536
	Interest receivable from associated company Fengchi IOT Management Co., Ltd	-	950
	Pavillon Business Development (Shanghai) Co., Ltd capital injection to associated company - Daju Logistics (Tianjin) Co., Ltd	766	-
	Rental services rendered between associated companies - Fengchi IOT Management Co., Ltd and Daju Logistics (Tianjin) Co., Ltd	885	-

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.

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 six-month period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

John Chen Seow Phun
Director

Singapore
14-Aug-23