

**PAVILLON HOLDINGS LTD.**

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

**RESPONSE TO FURTHER QUERY FROM SGX**

The Board of Directors (the “Board”) of Pavillon Holdings Ltd. (the “Company”) refers to the Company’s response released on 20 April 2021 relating to the queries raised by SGX in respect to the Company’s Annual Report 2020 released on 5 April 2021.

The Company would like to provide detailed information to the further query raised by SGX on 22 April 2021. The Company’s reply is as follow:

**SGX Query**

We note that the Company had stated in its response to SGX’s queries published on 20 April 2021 where it explained only for the variance of \$1.1 million to its investment in associated companies and stated that “the remaining variance of the Statement of financial Position’s line items were all due to reclassification of accounts and over-accrued operating expenses of \$11 thousand which is immaterial”. Taking into account the Group’s NAV of \$33.2 million, please also provide further detailed information on the following variances, including elaboration on the factors and nature of the transactions which resulted in the requirements for the subsequent reclassifications from the unaudited full year results announced on 24 February 2021:

<b>For financial year ended 31 December 2020</b>	<b>Audited Financial Statement (S\$’000)</b>	<b>Unaudited Financial Statement (S\$’000)</b>	<b>Variances (S\$’000)</b>
<b>Current assets</b>			
Trade and other receivables	499	1,937	(1,438)
<b>Non-current assets</b>			
Financial asset, at FVOCI	4,220	-	4,220
Property, plant and equipment	4,032	1,656	2,376
Right-of-use asset	-	2,354	(2,354)
Unquoted investment	-	4,220	(4,220)
<b>Current Liabilities</b>			
Trade and other payables	1,947	4,012	(2,065)
Borrowings	1,991	300	1,691
Lease liabilities	-	1,150	(1,150)
<b>Non-current liabilities</b>			
Borrowings	2,585	1,062	1,523
Lease liabilities	-	1,243	(1,243)

**Company's response**

<b>For financial year ended 31 December 2020</b>	<b>Audited Financial Statement (S\$'000)</b>	<b>Unaudited Financial Statement (S\$'000)</b>	<b>Variances (S\$'000)</b>	<b>Note</b>
<b>Current assets</b>				
Trade and other receivables	499	1,937	(1,438)	<b>1</b>
<b>Non-current assets</b>				
Trade and other receivables	405	422	(17)	<b>1</b>
Financial asset, at FVOCI	4,220	-	4,220	<b>2</b>
Property, plant and equipment	4,032	1,656	2,376	<b>3</b>
Right-of-use asset	-	2,354	(2,354)	<b>3</b>
Unquoted investment	-	4,220	(4,220)	<b>2</b>
<b>Current Liabilities</b>				
Trade and other payables	1,947	4,012	(2,065)	<b>4</b>
Borrowings	1,991	300	1,691	<b>5</b>
Lease liabilities	-	1,150	(1,150)	<b>5</b>
<b>Non-current liabilities</b>				
Trade and other payables	100	299	(199)	<b>4</b>
Borrowings	2,585	1,062	1,523	<b>5</b>
Lease liabilities	-	1,243	(1,243)	<b>5</b>

Note :

1	The variance of S\$1,422,000 was mainly due to (1) reclassification of value-added tax of S\$1,438,000 to trade and other payables; (2) the reclassification of hire purchase - interest in suspense of S\$33,000 to Borrowings.
2	The variance was due to different descriptions used in Unaudited Financial Statements and Audited Financial Statements.
3	The right-of-use assets ("ROU assets") was presented as a separate line item in the Unaudited Financial Statements but was presented as part of "Property, plant and equipment" in the Audited Financial Statements. Apart from that, the variance of S\$22,000 was due to the effect of currency translation differences of ROU assets which denominated in foreign currency.
4	The variance of S\$2,264,000 was mainly due to (1) reclassification of value-added tax of S\$1,422,000 from trade and other receivables; (2) reclassification of bank overdraft and hire purchase payables of S\$832,000 to Borrowings; and (3) over accrued operating expenses of S\$11,000.
5	The lease liabilities was presented as a separate line item in the Unaudited Financial Statements but was presented as part of "Borrowings" in the Audited Financial Statements. Apart from that, the net variance between the aggregate amount of Borrowings and Lease liabilities presented in Unaudited Financial Statement and Audited Financial Statements of S\$821,000 was mainly due to (1) reclassification of Bank Overdraft and Hire Purchase payables of S\$832,000 from Trade and other payables; (2) effect of currency translation differences of Lease liabilities which denominated in foreign currency of S\$22,000; and offset by (1) the reclassification of hire purchase - interest in suspense of S\$33,000 from Trade and other receivables.

By Order of the Board

Lee Tong Soon  
Managing Director

23 April 2021