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

FURTHER CLARIFICATION TO 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 and the Company's response on 24 April 2026 ("**Company's Response**") relating to the Company's annual report for the financial year ended 31 December 2025 ("**FY2025 Annual Report**").

The Company would like to make further clarification to the Company's Response related to SGX RegCo Query 4 as follow:

SGX RegCo Query 4

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.

Company's Further Clarification

For ease of reference, the material adjustments are summarised as follows (all figures in S$'000):

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)	B
Net cash from operating activities	**4,127**	**188**	**(3,939)**	
Additions to property, plant and equipment ("PPE")	(2,778)	(2,092)	686	C
Proceeds from disposal of investment classified as FVOCI	10,137	12,383	2,246	B
Net cash from investing activities	**7,610**	**10,530**	**2,920**	
Interest paid	(2,263)	(1,262)	1,001	D
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**	**—**	

Note A - Unrealised currency translation losses

The variance in "Unrealised currency translation losses" between the unaudited results and the audited financial statements was mainly attributable to:

S$'000	Remarks
930	Foreign exchange movements Foreign exchange movements arising from borrowings and payable amount due to a related party were inadvertently grouped under "Interest paid" in the unaudited announcement. Following the finalisation of the audit, these non-cash foreign exchange movements were properly recorded in "Unrealised currency translation losses".
171	Correction of accrued interest Reversal of accrued interest which was inadvertently grouped in "Unrealised currency translation losses".
583	Correction of reinstatements costs Reversal of the cost of new right-of-use asset ("ROU"), including the provision of the reinstatement costs which was included within the "Unrealised currency translation losses" line item. This error was rectified in the audited financial statements, and the non-cash addition was correctly offset against additions of PPE instead.
(9)	Other minor reclassification
1,675	

Note B - Income tax paid and Proceeds from disposal of investment classified as FVOCI

A tax amount of S$2,246,000 relating to the disposal of the Lingbao shares was netted against the disposal proceeds in the unaudited financial statements, resulting in an apparent net tax inflow of S$1,875,000.

In the audited financial statements, this has been corrected to a gross presentation basis. As a result, income tax paid is presented at the actual cash outflow of S$371,000. Correspondingly, the proceeds from the partial disposal of the Lingbao shares have been grossed up by S$2,246,000, increasing from S$10,137,000 to S$12,383,000.

Note C – Additions to PPE

The unaudited additions were S$2,778,000 (outflow); the audited additions are S$2,092,000. The reduction of S$686,000 comprises the following adjustments identified during the finalisation of the PPE movement schedules:

Adjustment	**Amount (S$'000)**
Reclassification to intangible assets	5
Removal of non-cash right-of-use asset additions	583
Correction of decommissioning provision addition	99
Minor rounding adjustment	(1)
Total	**686**

Explanation of each component:

- **S$5,000** – Costs initially capitalised as PPE were identified during the audit as qualifying for recognition as intangible assets.

- **S$583,000** – The unaudited gross PPE additions included non-cash right-of-use asset additions matched by new lease liabilities. The audited gross PPE additions per Note 19 are S$3,204,000. The difference of S$588,000 between the unaudited and audited gross PPE additions represents non-cash ROU additions incorrectly treated as cash capital expenditure in the unaudited statement. After deducting the S$5,000 reclassification to intangibles, the net adjustment is S$583,000.
- **S$99,000** – Note 25 shows a new non-cash provision of S$260,000 for dismantling, removal and restoration costs, which is capitalised to PPE. The unaudited statement had backed out only S$161,000 of this amount. The additional S$99,000 is the required correction.
- **S$1,000** – Minor rounding adjustment: the new lease liability per the reconciliation of liabilities is S$852,000, whereas the unaudited statement used S$853,000.

Note D - Interest paid (variance S$1,001,000)

The audited interest expense per Note 7 and the reconciliation of liabilities is as follows:

Loan	Interest expense (S$'000)	Cash paid (S$'000)	Treatment
Bank borrowings	1,218	1,218	Cash paid
Lease liabilities	44	44	Cash paid
Loan from immediate and ultimate holding corporation	1,053	—	*
Loan from a related party	28	—	*
Total	**2,343**	**1,262**	

** No cash payment – interest accrued and capitalised to the loan balance.*

Based on the audited financial statements, interest paid of S$1,262,000 comprises only the cash payments for bank borrowings and lease liabilities. The unaudited statement reported interest paid of S$2,263,000. The difference of S$1,001,000 represents accrued interest on the two loans (from the immediate and ultimate holding corporation and from the related party) that was incorrectly treated as a cash outflow in the unaudited statement. The remaining S$80,000 of accrued interest on these loans was already correctly excluded from interest paid in the unaudited statement, so no adjustment was required for that portion. The audited financial statements correctly excludes the entire accrued interest.

By Order of the Board

Fan Bin
Executive Director

19 June 2026