

Pavillon Holdings Ltd.



STRENGTHENING FOUNDATIONS FOR A *SUSTAINABLE* TOMORROW



ANNUAL
REPORT
2025



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CORPORATE MAP

Pavillon Holdings Ltd



CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Pavillon Holdings Ltd. (the "Group"), I am pleased to present the Annual Report of the Group for the financial year ended 31 December 2025 ("FY2025").

During the year under review, the global economic environment remained characterised by uncertainty as businesses continued to navigate persistent inflationary pressures, elevated financing costs and evolving geopolitical developments. These factors contributed to cautious consumer sentiment and heightened volatility across global markets.

In Singapore, the economy continued to demonstrate resilience despite external headwinds. However, the food and beverage sector remained highly competitive, with operators facing rising operating costs, including manpower, rental and utilities, alongside shifting consumer spending patterns. These dynamics created a challenging landscape for many businesses within the industry.

Against this backdrop, the Group remained focused on maintaining operational resilience while strengthening its financial position and operational efficiency. Our management team continued to prioritise disciplined cost management, operational improvements and customer experience as key pillars supporting the sustainability of the Group's businesses. The year also highlighted the importance of adaptability and strategic focus. While the operating environment remained challenging, the Group continued to build on its operational capabilities and financial discipline to navigate evolving market conditions.

Meanwhile, broader regional economic developments continued to influence the Group's operating landscape. China's economy maintained moderate growth despite ongoing structural adjustments and global uncertainties. While challenges remain, the continued development of regional trade and economic integration presents potential opportunities for businesses seeking to strengthen cross-border collaboration and partnerships.

FINANCIAL PERFORMANCE

For FY2025, the Group recorded revenue of S\$16.3 million, representing a decrease of approximately 7% from S\$17.6 million in FY2024. This decline was mainly attributable to softer contributions from the Singapore food and beverage segment amid more cautious consumer spending and continued cost pressures within the industry.

During the year, the Group reported a net loss of S\$26.3 million, compared to a net profit of S\$1.4 million recorded in the previous financial year. The loss was largely attributable to a non-cash fair value adjustment of approximately S\$24.7 million on the Group's investment property, reflecting changes in market valuations during the year.

It is important to note that this fair value adjustment is non-cash in nature and does not directly affect the Group's operating cash flows. Excluding this valuation impact, the Group's core businesses continued to demonstrate operational resilience amid the challenging environment.

Encouragingly, the Group continued to generate positive operating cash flows during the year. Net cash generated from operating activities amounted to approximately S\$0.2 million, reflecting the continued stability of the Group's operations and ongoing efforts to enhance cost efficiency.

The Group also strengthened its financial position during the year. Cash and cash equivalents increased to S\$14.9 million as at 31 December 2025, supported by strong inflows from investing activities and prudent capital management initiatives.

In addition, the Group maintained a disciplined approach towards capital structure management. Total borrowings were reduced to approximately S\$46.2 million, demonstrating the Group's continued focus on strengthening its balance sheet and maintaining financial flexibility.

Overall, despite the challenging operating environment and the accounting impact arising from property valuation adjustments, the Group remains financially resilient with a stable operating base and healthy liquidity position.

FUTURE PROSPECTS

Looking ahead, the global macroeconomic outlook remains uncertain as businesses continue to navigate inflationary pressures, evolving geopolitical dynamics and changes in consumer behaviour. Within Singapore, the food and beverage sector is expected to remain competitive, with operators continuing to manage cost pressures and shifting consumer preferences.

In response, the Group will remain focused on strengthening operational efficiency while maintaining high service standards and product quality across its restaurant operations. Management will continue to review and refine menu offerings, optimise operational processes and adopt technology-driven solutions to enhance productivity and service delivery.

At the same time, the Group will continue to strengthen customer engagement and brand positioning in order to drive sustainable growth within its core food and beverage business. Beyond its existing operations, the Group will also continue to explore opportunities to diversify and strengthen its business portfolio. Strategic investments, partnerships and expansion opportunities in complementary sectors will be evaluated as part of the Group's broader strategy to enhance long-term business resilience and value creation.

The Group will also maintain a disciplined approach to capital allocation and financial management. With a strengthened balance sheet and improved liquidity position, the Group is well positioned to navigate evolving market conditions while pursuing sustainable growth opportunities.

CONCLUSION

On behalf of the Board, I would like to express my sincere appreciation to our management team and employees for their dedication, resilience and hard work throughout the year.

I would also like to thank our shareholders, customers and business partners for their continued trust and support. Your confidence in the Group remains a key source of motivation as we continue to strengthen our business foundations.

As we look ahead, the Group remains committed to navigating challenges with resilience while pursuing opportunities that support sustainable growth and long-term value creation for all stakeholders.



MR FAN BIN
Executive Chairman

OPERATIONS REVIEW

TURNOVER AND EARNINGS

In the financial year ended 31 December 2025 ("FY2025"), the Group recorded a revenue of S\$16.3 million, representing a 7% decrease from the financial year ended 31 December 2024 ("FY2024"). The decline was mainly attributable to lower revenue contributions from the Group's Singapore-based food and beverage operations.

The Group also recorded a significant decrease in interest income from S\$0.76 million in FY2024 to S\$0.08 million in FY2025. This was primarily due to the prior-year consolidation of Daju Logistics (Tianjin) Co., Ltd. and Fengchi IOT Management Co., Ltd., resulting in the elimination of intercompany interest income.

Other income for FY2025 amounted to S\$0.4 million, down from S\$2.6 million in FY2024. The decrease was mainly due to the absence of non-recurring items recorded in FY2024, including waiver of prior-year interest expenses, gains on disposal of property, plant and equipment, and dividend income.

Total expenses for the year increased significantly to S\$43.0 million (FY2024: S\$18.7 million), mainly due to a fair value loss on investment properties of S\$24.7 million (FY2024: S\$2.8 million). This non-cash adjustment arose from a decline in the valuation of the Group's investment properties, reflecting higher capitalisation rates and market uncertainties in line with independent valuation performed during the year.

Raw materials and changes in inventories decreased by 4% to S\$4.2 million, while employee compensation remained stable at S\$5.4 million, reflecting effective cost management.

Depreciation expenses increased slightly to S\$1.3 million (FY2024: S\$1.2 million), in line with capital expenditure incurred, including the relocation of the Group's restaurant operations.

Finance expenses increased to S\$2.3 million (FY2024: S\$1.3 million), mainly attributable to higher interest costs on borrowings.

The Group recorded a net foreign exchange loss of S\$0.8 million, arising primarily from the translation of RMB-denominated balances.

Other operating expenses increased to S\$4.3 million (FY2024: S\$3.5 million), due to higher professional fees, rental-related expenses, and general administrative costs.

By business segments, restaurant operations recorded a segment profit of S\$0.3 million, while the properties segment recorded a segment loss of S\$28.1 million, mainly due to fair value loss and higher finance expenses. Other operations recorded a segment profit of S\$1.5 million.

Overall, the Group recorded a net loss of S\$26.3 million in FY2025, compared to a net profit of S\$1.4 million in FY2024, mainly attributable to the non-cash fair value loss on investment properties.

BALANCE SHEET AND CASH FLOW

As at 31 December 2025, the Group's total assets stood at S\$102.8 million, compared to S\$118.2 million as at 31 December 2024. The decrease was mainly due to the decline in the fair value of investment properties from S\$98.0 million to S\$71.7 million.

Cash and cash equivalents increased from S\$7.8 million to S\$14.9 million, mainly due to strong inflows from investing activities, including proceeds from disposal of financial assets.

Trade and other receivables decreased to S\$1.6 million (FY2024: S\$1.9 million), reflecting improved collection and settlement of balances.

Inventories increased from S\$3.0 million to S\$5.4 million, due to higher inventory levels maintained to support operations.

Financial assets at fair value through other comprehensive income increased slightly to S\$5.6 million, due to fair value gains recorded during the year.

Total liabilities increased slightly to S\$59.7 million (FY2024: S\$57.7 million). Total borrowings decreased to S\$46.2 million from S\$48.3 million, reflecting scheduled repayments and prudent capital management.

The Group's net assets decreased to S\$43.0 million (FY2024: S\$60.5 million), primarily attributable to a decrease in the fair value of investment properties.

Net cash generated from operating activities amounted to S\$0.2 million, this was supported by non-cash adjustments, including fair value loss on investment properties, depreciation, unrealised currency translation losses, and interest expense. The inflow was partially

offset by an increase in inventories and income taxes paid. Net cash from investing activities was S\$10.5 million, mainly from disposal of investments, while net cash used in financing activities amounted to S\$3.8 million, primarily due to loan repayments and interest payments.

Overall, cash and cash equivalents increased by approximately S\$7.1 million during FY2025.



BOARD OF DIRECTORS



MR FAN BIN
Executive Chairman

MR DING FURU
Non-Executive and
Non-Independent Director



MR KONG WEILI
Independent Director

**MR FRANCIS
LEE FOOK WAH**
Lead Independent Director



 **MR FAN BIN**
Executive Chairman

Mr Fan was appointed to the board on 4 Nov 2022 as Non-executive and Non-independent director. Mr Fan was redesignated as Executive Director on 1 September 2023. And in 2024, he was redesignated as Executive Chairman.

Mr Fan Bin is a member of the Chinese Institute of Certified Public Accountants and a certified public account (CPA), a certified tax accountant (CTA) certified by the China Certified Tax Agents Association and accountant certified by the Ministry of Finance of the People's Republic of China. Mr Fan is also a member of the Singapore Institute of Directors.

He holds a Master's degree in accounting from the Shanghai University of Finance and economics and a Bachelor's degree in Management from Shanghai University of Finance and Economics.

Mr Fan Bin has more than 20 years of experience in real estate development. Since 2002, Mr Fan has served as the Chief Financial Officer of Kangquiao Peninsula Group, Jindayan Group and New Development Group, and has participated in the development of projects with an area of over 5 million square meters. These projects include residential, industrial and commercial property development.

 **MR DING FURU**
Non-Executive and
Non-Independent Director

Mr Ding is appointed to the board on 4 Nov 2022 as Non-executive and Non-independent director.

Mr Ding is the sole shareholder and director of the New Development Hotel Management Pte. Ltd. Mr Ding is also a member of the Singapore Institute of Directors.

Mr Ding is a naturalised Singaporean and is based in Shanghai in the PRC, with investments in various industries, including property development and hotel ownership and development. Through his investments, he is the owner of various hotel properties in the PRC including Courtyard by Marriott Shanghai Fengxian, The JW Marriott Hotel Shanghai Changfeng Park and Fairfield by Marriott Shanghai JingAn.

 **MR FRANCIS LEE FOOK WAH**
Lead Independent Director

Mr Francis Lee Fook Wah ("Mr Francis Lee") was appointed to the Board on 6 May 2022. Mr Francis Lee is also the Chairman of the Nominating Committee and Remuneration Committee, a member of the Audit and Risk Committee of the Company.

Mr Francis Lee is currently the chief financial officer and executive director of Vibrant Group Limited, a company listed on the SGX-ST. Mr Francis Lee is also currently an independent director of another company listed on the SGX-ST, namely Joyas International Limited. He is also a non-executive non-independent director of FM Global Logistics Holdings Berhad listed on Bursa Malaysia.

Mr Francis Lee was the chief financial officer of OKH Global Ltd., a company listed on the SGX-ST, from 2015 to 2017. Mr Francis Lee had also served as an independent director of Net Pacific Financial Holdings Limited, Sheng Siong Group Limited and Asiaphos Limited, all of which are listed on the SGX-ST. Between 2005 and 2011, Mr Francis Lee was an executive director, finance director and chief financial officer of Man Wah Holdings Limited ("**Man Wah**"), a company listed on the SEHK, where he was responsible for the overall accounting functions and matters relating to its corporate regulatory compliance and reporting for the group. He remained on the board of Man Wah as a non-executive director until February 2012. Prior to that from 2001 to 2005, Mr Francis Lee was a credit and relationship manager with Bank of China Limited and also served as an investment and project manager with AP Oil International Limited. Mr Francis Lee began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department, where he served as a senior investigation officer, before moving on to Oversea-Chinese Banking Corporation Limited in 1993 as an assistant manager and subsequently moved on to Deutsche Morgan Grenfell Securities as a dealer's representative from 1994 to 2001.

Mr Francis Lee graduated from The National University of Singapore with a Bachelor's degree in Accountancy in 1990 and obtained a Master's degree in Business Administration (Investment and Finance) from The University of Hull in 1993.

Mr Francis Lee is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants. Mr Francis Lee is also a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS

MR KONG WEILI Independent Director

Mr Kong was appointed to the board on 22 June 2022 as Independent Director.

Mr Kong was the Plant Financial Controller of Sanmina-SCI Systems Singapore Pte. Ltd. from 2018 to 2019 and during the period from 2008 to 2015, Mr Kong worked as Financial Controller of SMOE Pte Ltd (a subsidiary of Sembcorp Marine Ltd), a company specialising in Turnkey EPCIC, Offshore platforms and Topside

modules fabrication, installation and integration. He has more than 30 years' experience and leadership skills in accounting, finance and risk management.

Mr Kong is a Fellow member of the Institute of Singapore Chartered Accountants and CPA Australia and a Senior Accredited Director of the Singapore Institute of Directors.



KEY EXECUTIVES

MR MAXTEIN OH KOK THAI Group General Manager

Mr Oh was appointed as Group General Manager of the Group on 1 September 2024. He oversees the functions of the Group and leads all aspects of operations, including business development, sales and marketing, human resource, procurement and supply chain. He is responsible to develop and execute business strategies to enhance brand visibility, market share and customer loyalty.

He was appointed as Group General Manager-Restaurant Operations on 1 May 2006 to oversee the restaurant operations including regional business development, human resource & administration as well as sales & marketing. He joined the Group in 1997 as Restaurant Manager and was promoted to Group Operations Manager in 2000 to oversee the operations in Singapore. He was posted to Beijing, China in 2001 as General Manager (Northern China's Operation) for setting up as well as managing restaurant operations and franchise restaurant in Northern China. He was promoted to General Manager for China's Operation in 2004, based in Shanghai to oversee the operations in China.

Prior to joining the Group, he has held managerial positions with Conrad International Centennial Singapore, Pondok Gurame Group of Restaurants, Jumbo Group of Restaurants, Yunnan Group of Restaurants and he has also worked with The Westin Stamford and The Westin Plaza.

Mr Oh is a graduate from American Hotel and Lodging Educational Institute in Hospitality Management. He holds a certificate in Advanced Certificate in Training and Assessment from Institute of Adult Learning Singapore. He is a certified Industry Trainer and Assessor as well as a certified WSQ Trainer and Assessor by Institute of Technical Education Singapore and Singapore Workforce Development Agency respectively.

MR LOH BENG KIAT, CALVIN Financial Controller

Mr Loh was appointed on 15 April 2018. As the Financial Controller, he is responsible for the financial and management reporting functions of the Group. Mr Loh has over a decade of experience having held various finance management roles since 1997, as well as accountant roles before that. Prior to joining the Group, he was the Chief Financial officer of the HLH Group Ltd, a listed company that focuses on real estate and agricultural development, where he successfully managed all financial and capital aspects. He is a Singapore Chartered Accountant.

He was appointed as the General Manager of Fengchi IOT Management Co Ltd in August 2021 and is responsible for its profitability as well as the management of its overall operations.

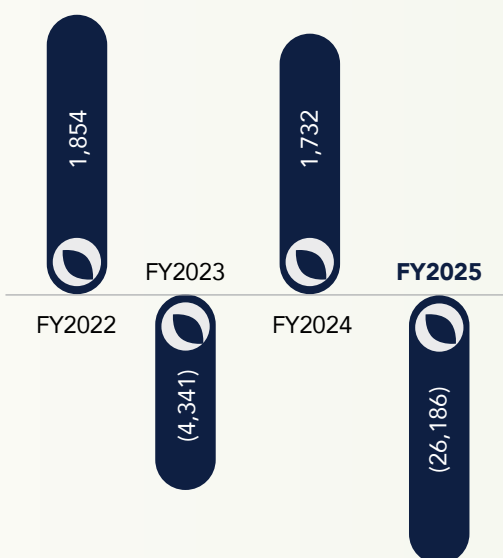
MR HAU EE BOON Executive Chef

Mr Hau has a deep and extended relationship with the Group, having joined Thai Village Restaurant as one of the critical pioneer chefs in 1991. In 1999, Mr Hau and the then General Manager of the Group Mr Oh, ventured to China to establish the inaugural China branch. Together, Mr Oh and Mr Hau managed all China restaurant operations, including the setting up of the franchise. In 2012, Mr Hau took over the role of Executive Chef. Mr Hau is responsible for the management of the Group's restaurant operations.

FINANCIAL HIGHLIGHTS

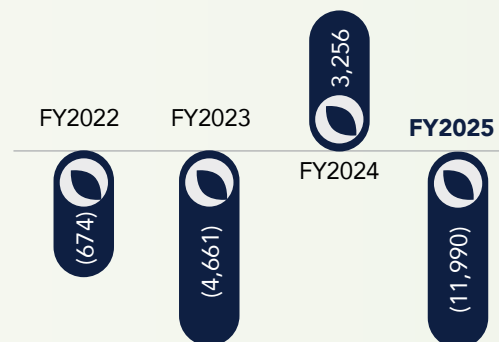
PROFIT/(LOSS) BEFORE TAXATION

(S\$'000)



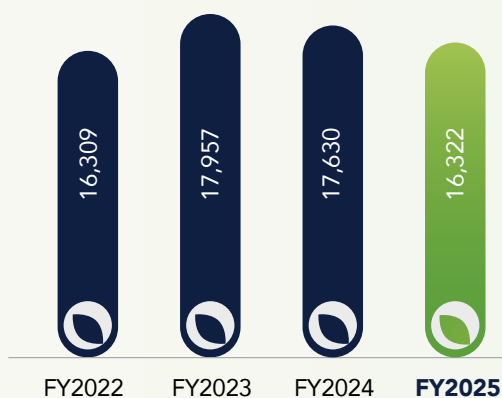
PROFIT/(LOSS) AFTER TAXATION

Attributable to Equity holders of the Company
(S\$'000)



TURNOVER

(S\$'000)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Fan Bin
Executive Chairman

Mr Ding Furu
Non-Executive and
Non-Independent Director

Mr Francis Lee Fook Wah
Lead Independent Director

Mr Kong WeiLi
Independent Director

COMPANY SECRETARY

Ms Chan Lai Yin

REGISTERED OFFICE

Block 1002 Tai Seng Avenue
#01-2536 Singapore 534409
Tel: +65 6487 6182
Fax: +65 6487 6183

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)

9 Raffles Place, #26-01, Republic Plaza,
Singapore 048619

AUDITORS

CLA Global TS Public Accounting Corporation
Director in-charge: Teh Yeu Horng
(Appointed since financial year
ended 31 December 2021)

PRINCIPAL BANKER

United Overseas Bank Limited

THAI VILLAGE RESTAURANT PRESENCE



Self-Managed Restaurants

SINGAPORE (新加坡分店)

Goodwood Park 良木园

22 Scotts Road,
Goodwood Park Hotel
Singapore 228221
Tel: (65) 6440 8251

We have moved:

Leisure Park Kallang 加冷娱乐广场

5 Stadium Walk, #02-01
Leisure Park Kallang
Singapore 397693
Tel: (65) 6440 2292

Franchisee Restaurants

CHINA (中国加盟店)

Shanghai 上海

国定东路237号 (金储广场北侧)
电话: (86) 21-55221717

上海市黄浦区北京西路61号
新金桥广场1层
电话: (86) 021-66981717

VIETNAM (越南加盟店)

Ho Chi Minh City 胡志明市

38, Ly Tu Trong Street,
Ben Nghe Ward, District 1
Tel: (84) 8 8256704/5

Hanoi 河内

3B Le Thai To Street,
Hang Trong Ward,
Hoan Kiem District
Tel: (84) 4 3938 1168



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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

In the opinion of the directors,

- (i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 24 to 112 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) at the date of this statement, based on the going concern assumptions set out in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Ding Furu
Fan Bin
Francis Lee Fook Wah
Kong WeiLi

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2025	At 31.12.2024	At 31.12.2025	At 31.12.2024

Company

Number of ordinary shares

Ding Furu	–	–	1,047,408,760 ⁽¹⁾	1,047,408,760 ⁽¹⁾
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Note:

(1) 1,047,218,560 (2024: 1,047,218,560) shares are held in the name of New Development Hotel Management Pte Ltd, of which Mr Ding Furu is the sole director and shareholder. He is the beneficial owner of 190,200 (2024: 190,200) shares held by UOB Kay Hian Pte Ltd.

Mr Ding Furu, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiary corporations and in the shares held by the Company in the following subsidiary corporations that are not wholly owned by the Group:

	At 31.12.2025	At 31.12.2024
Tianjin Lanting Leasing Co., Ltd – Registered and issued share capital	USD20,565,536	USD20,565,536
Tianjin Yixing Intelligent Washing Technology Co., Ltd – Registered and issued share capital	RMB29,917,581	RMB29,917,581
Daju Logistics (Tianjin) Co., Ltd. – Registered and issued share capital	RMB8,163,300	RMB8,163,300
Fengchi IOT Management Co., Ltd. – Registered and issued share capital	RMB183,673,469	RMB183,673,469
Tianjin Fengyu Business Secretarial Service Co., Ltd. – Registered and issued share capital	RMB2,000,000	RMB2,000,000

The directors' interests in the ordinary shares of the Company as at 21 January 2026 were the same as those as at 31 December 2025.

DIRECTORS' STATEMENT

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiary corporations under option.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Kong WeiLi (Chairman)
Francis Lee Fook Wah
Ding Furu

As at the date of this statement, the Audit Committee comprises all non-executive directors who are independent, except for Mr Ding Furu who is the sole director and shareholder of New Development Hotel Management Pte Ltd.

The Audit Committee has written terms of reference that are approved by the Board of Directors (the "Board") and clearly set out its responsibilities. The Audit Committee carries out its functions in accordance with Section 201B(5) of the Companies Act 1967 of Singapore and the Code of Corporate Governance (the "Code"). The key terms of reference of the Audit Committee are as follows:

- (a) To review the audit plans of the internal auditor and independent auditor of the Group and the Company, and review the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the internal auditor and independent auditor;
- (b) To review the half yearly and annual consolidated financial statements and the independent auditor's report on the consolidated financial statements of the Group and the financial position of the Company before their submission to the Board;

DIRECTORS' STATEMENT

Audit committee *(continued)*

- (c) To review the effectiveness of the Group's and the Company's key internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- (d) To review the cooperation given by the management to the independent auditor and internal auditor;
- (e) To review legal and regulatory matters that may have a material impact on the consolidated financial statements, related compliance policies and programmes and any reports received from regulators;
- (f) To review the cost effectiveness and the independence and objectivity of the independent auditor;
- (g) To review the nature and extent of non-audit services provided by the independent auditor;
- (h) To recommend to the Board the appointment, re-appointment or removal of the independent auditor and approve the remuneration and terms of engagement of the independent auditor;
- (i) To review interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's (the "Singapore Exchange" or the "SGX-ST") Listing Manual; and
- (j) To conduct a review of interested person transaction to ensure that each transaction has been conducted on an arm's length basis.

The Audit Committee has, in accordance with Chapter 9 of the SGX-ST's Listing Manual, reviewed the requirements for approval and disclosure of interested party transactions.

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 Audit Committee convened two (2) meetings for the financial year ended 31 December 2025 with full attendance from all members. The Audit Committee met with the independent auditor and internal auditor once in February 2026 without the presence of the management. These meetings enable the independent auditor and internal auditor to raise issues encountered in the course of their work directly to the Audit Committee.

The Audit Committee has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

.....
Fan Bin
Director

.....
Kong WeiLi
Director

2 April 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF PAVILLON HOLDINGS LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pavillon Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 24 to 112.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics Applicable to Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF PAVILLON HOLDINGS LTD.

Key Audit Matters (continued)

Valuation of investment properties

(Refer to Notes 2.6, 3(a) and 21 to the financial statements)

Area of focus

As at 31 December 2025, the carrying amount of the investment properties was S\$71,658,000 (2024: S\$98,039,000) which represented 70% (2024: 83%) of total assets of the Group. The Group owns a logistics hub with office building in Tianjin, the People's Republic of China. The logistics hub is classified as investment properties as it is held for long-term rental yields and/or for capital appreciation.

These investment properties are stated at their fair values based on external professional valuer.

We focused on this area as a key audit matter as the determination of the fair value of investment properties are highly dependent on a range of assumptions and estimates (including, amongst others, gross capitalisation rates and estimated market rental yields) used by the external professional valuer, which has a significant impact on the valuation of investment properties.

How our audit addressed this key audit matter

In obtaining sufficient audit evidence, we have performed the following procedures:

- Evaluated the experience, qualifications and competence of the external professional valuer;
- Involved our internal valuation specialists, to evaluate the appropriateness of the valuation methodologies and significant underlying assumptions used in determining the valuation of the investment properties;
- We challenged the key assumptions used in the valuations, which included market rental and market yield rates by comparing them against available industry data, taking into consideration comparability and market factors; and
- We reviewed the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and the fair values.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF PAVILLON HOLDINGS LTD.

Key Audit Matters (continued)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors of the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF PAVILLON HOLDINGS LTD.

Key Audit Matters (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguard applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF PAVILLON HOLDINGS LTD.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Teh Yeu Horng.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

2 April 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S\$'000	2024 S\$'000
Revenue	4	16,322	17,630
Other items of income			
Interest income – bank deposits		83	134
Interest income – loan to an associated company		–	621
Other income	5	427	2,551
Items of expenses			
Raw materials and changes in inventories	13	(4,227)	(4,381)
Employee compensation	6	(5,409)	(5,475)
Depreciation of property, plant and equipment	19	(1,300)	(1,228)
Finance expenses	7	(2,343)	(1,327)
Currency exchange losses - net		(790)	(6)
Fair value loss on investment properties	21	(24,678)	(2,751)
Other operating expenses	8	(4,271)	(3,508)
Total expenses		(43,018)	(18,676)
Share of loss of associated companies	17	–	(528)
(Loss)/profit before income tax		(26,186)	1,732
Income tax expenses	9(a)	(140)	(292)
Net (loss)/profit		<u>(26,326)</u>	<u>1,440</u>
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Currency translation gains arising from consolidation		53	8
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
– Currency translation losses arising from consolidation		(105)	(72)
– Fair value gains/(losses) – financial assets, at FVOCI	28(b)(iii)	8,926	(362)
Other comprehensive income/(loss), net of tax	9(c)	8,874	(426)
Total comprehensive (loss)/income		<u>(17,452)</u>	<u>1,014</u>
(Loss)/profit attributable to:			
Equity holders of the Company		(11,990)	3,256
Non-controlling interests		(14,336)	(1,816)
		<u>(26,326)</u>	<u>1,440</u>
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(3,011)	2,902
Non-controlling interests		(14,441)	(1,888)
		<u>(17,452)</u>	<u>1,014</u>
Earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
– Basic	10	(0.84)	0.23
– Diluted	10	(0.84)	0.23

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group	
		2025	2024
		S\$'000	S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	11	14,886	7,788
Trade and other receivables	12	812	995
Inventories	13	5,402	3,040
		<u>21,100</u>	<u>11,823</u>
Non-current assets			
Other receivables	14	822	865
Financial asset, at FVOCI	16	5,587	5,429
Investments in associated companies	17	–	–
Property, plant and equipment	19	3,606	2,071
Intangible assets	15	5	–
Investment properties	21	71,658	98,039
		<u>81,678</u>	<u>106,404</u>
Total assets		<u>102,778</u>	<u>118,227</u>
LIABILITIES			
Current liabilities			
Trade and other payables	22	3,534	7,084
Contract liabilities	23	107	99
Current income tax liabilities	9(b)	3,064	433
Borrowings	24	5,613	7,614
		<u>12,318</u>	<u>15,230</u>
Non-current liabilities			
Trade and other payables	22	5,105	991
Borrowings	24	40,553	40,666
Provisions	25	500	339
Deferred tax liabilities	26	1,260	507
		<u>47,418</u>	<u>42,503</u>
Total liabilities		<u>59,736</u>	<u>57,733</u>
NET ASSETS		<u>43,042</u>	<u>60,494</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	27	82,097	82,097
Other reserves	28	6,956	4,375
Accumulated losses		(39,550)	(33,958)
		<u>49,503</u>	<u>52,514</u>
Non-controlling interests	18	(6,461)	7,980
TOTAL EQUITY		<u>43,042</u>	<u>60,494</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		Company	
	Note	2025	2024
		S\$'000	S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	11	204	126
Trade and other receivables	12	362	41,724
		566	41,850
Non-current assets			
Other receivables	14	3,847	4,076
Investments in subsidiary corporations	18	9,843	9,843
Property, plant and equipment	19	–	–
		13,690	13,919
Total assets		14,256	55,769
LIABILITIES			
Current liabilities			
Trade and other payables	22	3,023	3,362
Borrowings	24	–	161
		3,023	3,523
Non-current liabilities			
Trade and other payables	22	60	60
Total liabilities		3,083	3,583
NET ASSETS		11,173	52,186
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	27	82,097	82,097
Accumulated losses	29	(70,924)	(29,911)
TOTAL EQUITY		11,173	52,186

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to the equity holders of the Company								
	Share capital S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2025									
Balance as at 1 January 2025	82,097	(91)	3,478	1,108	(120)	(33,958)	52,514	7,980	60,494
Net loss for the financial year	-	-	-	-	-	(11,990)	(11,990)	(14,336)	(26,326)
Other comprehensive income/(loss) for the financial year	-	53	-	8,926	-	-	8,979	(105)	8,874
Transfer upon disposal of financial asset, at FVOCI (Note 16)	-	-	-	(6,398)	-	6,398	-	-	-
Balance as at 31 December 2025	82,097	(38)	3,478	3,636	(120)	(39,550)	49,503	(6,461)	43,042

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to the equity holders of the Company							
	Share capital S\$'000	Other reserves				Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
		Currency translation reserve S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Other reserve S\$'000			
2024								
Balance as at 1 January 2024	82,097	(99)	3,478	1,117	-	(37,214)	5,349	54,728
Net profit/(loss) for the financial year	-	-	-	-	-	3,256	(1,816)	1,440
Other comprehensive (loss)/income for the financial year	-	8	-	(362)	-	-	(72)	(426)
Effect of transfer of financial asset, at FVOCI ^(a)	-	-	-	353	-	-	(353)	-
Effect of gain of control over associated companies (Notes 17 and 28(b)(iv))	-	-	-	-	(120)	-	4,872	4,752
Balance as at 31 December 2024	82,097	(91)	3,478	1,108	(120)	(33,958)	7,980	60,494

(a) During the financial year ended 31 December 2024, the Group's financial asset, at FVOCI was transferred from a 75.98% owned subsidiary corporation, Tianjin Lanting Leasing Co., Ltd to a wholly owned subsidiary corporation, Shanghai Yiwun Information and Technology Co., Ltd. As a result, the fair value gains allocated to non-controlling interests in the previous financial years was adjusted to the fair value reserve (Note 28(b)(iii)).

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S\$'000	2024 S\$'000
Cash flows from operating activities			
Net (loss)/profit		(26,326)	1,440
Adjustments for:			
– Depreciation of property, plant and equipment	19	1,300	1,228
– Gain on disposal of property, plant and equipment	5	–	(199)
– Loss on disposal of management rights over a land parcel	8	139	–
– Income tax expenses	9(a)	140	292
– Interest expenses	7	2,343	1,327
– Interest income		(83)	(755)
– Dividend income	5	(100)	(118)
– Property, plant and equipment written off	8	106	18
– Share of loss of associated companies	17	–	528
– Unrealised currency translation losses		518	1,015
– Fair value loss on investment properties	21	24,678	2,751
– Waiver of interest on loan	5	–	(1,849)
		2,715	5,678
Change in working capital:			
– Inventories		(2,362)	(619)
– Trade and other receivables		293	(1,180)
– Trade and other payables		(95)	(533)
– Contract liabilities		8	11
		559	3,357
Cash generated from operations			
Income tax paid	9(b)	(371)	(275)
Net cash provided by operating activities		188	3,082
Cash flows from investing activities			
Additions to property, plant and equipment		(2,092)	(166)
Additions to intangible assets		(5)	–
Proceeds from disposal of property, plant and equipment		–	199
Proceeds from disposal of management rights over a land parcel		61	–
Proceeds from disposal of investment classified as FVOCI	16	12,383	–
Additions to investment properties	21	–	(114)
Dividend received		100	118
Interest received		83	134
Net cash inflow from gain of control over associated companies	17	–	825
Net cash provided by investing activities		10,530	996

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S\$'000	2024 S\$'000
Cash flows from financing activities			
Principal payment of lease liabilities		(1,021)	(979)
Principal payment of bank borrowings		(4,350)	(3,128)
Repayment of loan from a third party		–	(20,195)
Proceeds from loan from immediate and ultimate holding corporation		2,179	20,105
Advance from a related party		634	3,182
Interest paid		(1,262)	(1,023)
Net cash used in financing activities		<u>(3,820)</u>	<u>(2,038)</u>
Net increase in cash and cash equivalents		6,898	2,040
Cash and cash equivalents			
Beginning of financial year		7,788	5,748
Effects of currency translation on cash and cash equivalents		200	-*
End of financial year	11	<u>14,886</u>	<u>7,788</u>

* Amount less than S\$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Reconciliation of liabilities arising from financing activities

	Non-cash changes						31 December 2025 S\$'000
	1 January 2025 S\$'000	Proceed from borrowings S\$'000	Advances received S\$'000	New lease S\$'000	Principal and interest payments S\$'000	Interest expense S\$'000	
Borrowings:							
– Bank borrowings	24,383	–	–	–	(5,568)	1,218	(456)
– Loan from a third party	1,296	–	–	–	–	–	(23)
– Loan from immediate and ultimate holding corporation	20,482	2,179	–	–	–	1,053	(359)
– Loan from a related party	922	–	–	–	–	28	(17)
– Lease liabilities	1,197	–	–	852	(1,065)	44	–
Other payables:							
– Related party	4,486	–	634	–	–	–	(75)
							5,045

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Reconciliation of liabilities arising from financing activities

	Non-cash changes								
	1 January 2024	Proceed from borrowings	Advances received	Principal and interest payments	Effect of gain of control over associated corporations	Waiver of interest on loan	Interest expense	Foreign exchange movement	31 December 2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings:									
- Bank borrowings	1,031	-	-	(4,068)	26,892	-	940	(412)	24,383
- Loan from a third party	-	-	-	(20,195)	23,576	(1,849)	-	(236)	1,296
- Loan from immediate and ultimate holding corporation	-	20,105	-	-	-	-	287	90	20,482
- Loan from a related party	-	-	-	-	912	-	17	(7)	922
- Lease liabilities	2,176	-	-	(1,062)	-	-	83	-	1,197
Other payables:									
- Related party	-	-	3,182	-	1,316	-	-	(12)	4,486

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

These notes form an integral part and should be read in conjunction with the accompanying 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 as shown in Note 18 to the financial statements.

The Company’s immediate and ultimate holding corporation is New Development Hotel Management Pte. Ltd., incorporated in Singapore.

Related companies in these financial statements refer to the companies within Pavillon Holdings Ltd.’s group of companies.

2 Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

The consolidated financial statements are presented in Singapore Dollars (S\$) and all values are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern assumptions

During the financial year ended 31 December 2025, the Group and the Company have incurred total comprehensive loss of S\$17,452,000 and S\$41,013,000 (2024: total comprehensive income of S\$1,014,000 and S\$2,150,000) respectively. In addition, the Company is in net current liabilities position of S\$2,457,000 (2024: net current assets of S\$38,327,000).

Notwithstanding the above mentioned, the Board of Directors has assessed that the use of going concern basis of preparation of this set of financial statements remains appropriate after considering the Group and the Company have undrawn banking facilities from the immediate and ultimate holding corporation amounting to S\$42,813,000 and S\$10,000,000 respectively, as disclosed in Note 24(c).

Interpretations and amendments to published standards effective in 2025

On 1 January 2025, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfied a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.2 Revenue recognition (continued)

(a) Revenue from restaurant operations

The Group operates a chain of restaurants in the food and beverage business. Revenue arising from the sale of food and beverages is recognised in profit or loss at a point in time when the food and beverages are served to the customers. Payment of the transaction price is due immediately when the customer purchases the food.

Sale of cash vouchers is recognised as contract liabilities as the performance obligation is not satisfied upon the sale of cash vouchers. It is subsequently recognised as revenue when the customers redeem the cash vouchers, or when the Group is legally released from its obligations based on the expiration date of the cash vouchers.

(b) Revenue from properties operations

The Group has leased out its owned investment properties to third parties. The revenue generated from the logistics hub with office building in Tianjin, the People's Republic of China ("PRC") comprise rental income, storage service charges and management service charges. Rental income of office property is accounted for on a straight-line basis over the lease terms. Storage service charges and management service charges are recognised over time based on the actual usage of the car garage and exhibition hall of the investment properties of the Group, as the customers simultaneously receive and consume the benefits of the services provided.

Advances received from tenants are recognised as contract liabilities as the performance obligation is not considered satisfied upon receipt of payment. Revenue is subsequently recognised over the lease term as the performance obligation is fulfilled, in accordance with the lease agreement.

(c) Royalty fees

Royalty fees from franchisees are recognised over time whereby the Group considers the performance obligation is satisfied when franchisees' subsequent sales occur. The transaction price is determined based on a percentage of the franchisees' revenue or a pre-determined amount in accordance with the terms as stated in the franchise agreements.

(d) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as "Other Income".

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations* (continued)

(ii) *Acquisitions* (continued)

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the (a) consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair values of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.4 Group accounting (continued)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporations are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold properties - Office and restaurant premises	Over respective lease terms of 2 to 30 years
Furniture and fittings	5 - 8 years
Plant and machinery	5 - 10 years
Motor vehicles	5 years
Computers and software	1 - 5 years
Operating supplies	5 years

Assets under capital work-in-progress included in the property, plant and equipment are not depreciated as these assets are not available for use. Capital work-in-progress includes costs incurred for field preparation, planting inputs, maintenance, and cost of management rights over a land parcel in Yunnan, PRC.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the consolidated financial statements.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.6 Investment properties

Investment properties include a logistics hub with office building are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value which is determined annually by an independent professional valuer on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

On the disposal of an investment properties, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.7 Borrowing costs

Borrowing costs include interest in respect of lease liabilities recognised in accordance with SFRS(I) 16 – Leases and are recognised in profit or loss using the effective interest method.

2.8 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

Intangible assets

Property, plant and equipment

Right-of-use assets

Investments in subsidiary corporations

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the measurement category of amortised cost and fair value through other comprehensive income ("FVOCI").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.10 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as fair value through profit or loss ("FVPL") with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains/(losses)" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "Dividend income".

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32(b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9 - Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.10 Financial assets (continued)

(c) Recognition and derecognition (continued)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Group has issued corporate guarantees to a creditor and banks for bank borrowings of its subsidiary corporation. These guarantees are financial guarantees as they require the Group to reimburse the creditor and banks if the subsidiary corporation fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the amount of expected loss allowance computed using the impairment methodology under Note 2.9 to the financial statements. Unless it is probable that the Group will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to banks in the Group's statement of financial position.

2.13 Borrowings

Borrowings are presented as current liabilities unless, at the end of the reporting period, the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.13 Borrowings (continued)

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.15 Leases (continued)

When the Group is the lessee (continued)

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments consist of the fixed payment (including in-substance fixed payments), less any lease incentives receivables.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(iv) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.15 Leases (continued)

When the Group is the lessor

The Group leases investment properties under operating leases to non-related parties.

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Where necessary, write-down is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated companies except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.17 Income taxes (continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.18 Provisions

(a) General

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(b) Asset dismantlement, removal or restoration

Provision for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.18 Provisions (continued)

(b) Asset dismantlement, removal or restoration (continued)

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs, are adjusted against the cost of the related property, plant and equipment, unless decrease in the liability exceeds the carrying amount of the asset or asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or changes in the liability is recognised in profit or loss immediately.

2.19 Intangible assets

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 10 years, which is the shorter of their estimated useful lives and periods of contractual rights.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

The Group participates in the national schemes as defined by the laws of the countries in which it has operations.

Singapore

The Company and its Singapore subsidiary corporations' defined contribution plans are post-employment benefit plans under which the Company and its Singapore subsidiary corporations pay fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company and its Singapore subsidiary corporations have no further payment obligations once the contributions have been paid. The Company and its Singapore subsidiary corporations' contributions are recognised as expense in the period in which the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.20 Employee compensation (continued)

(a) *Defined contribution plans* (continued)

People's Republic of China ("PRC")

The subsidiary corporations that are incorporated and operating in the PRC are required to provide certain retirement plan contribution to their employees under the PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary corporations' employees.

Contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) *Termination benefits*

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.21 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.21 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains or losses impacting profit or loss are presented on the face of the consolidated statement of comprehensive income. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities’ financial statements

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 Material accounting policies (continued)

2.21 Currency translation (continued)

(c) Translation of Group entities' financial statements (continued)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3 Critical accounting estimates, assumptions and judgements

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 circumstances.

(a) Valuation of investment properties

The investment properties are stated at fair value based on the valuations of external professional valuer. The fair value is determined using the income approach, by reference to the value of income, cash flow or cost saving generated by the asset, based on a range of assumptions and estimates (including, amongst others, gross capitalisation rates and estimated market rental yields).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 Critical accounting estimates, assumptions and judgements *(continued)*

(a) Valuation of investment properties *(continued)*

The key assumptions used in determining the fair value of the investment properties are set out below:

<u>Property segment</u>	2025		2024	
	Capitalisation <u>rate</u> %	Market rental per sqm/ <u>per car</u>	Capitalisation <u>rate</u> %	Market rental per sqm/ <u>per car</u>
Car garage	6.5	RMB260	6.0	RMB312
Office property	6.5	RMB51	6.0	RMB55
Exhibition mall	6.5	RMB27	6.0	RMB30

As at 31 December 2025, the carrying amount of investment properties is S\$71,658,000 (2024: S\$98,039,000) (Note 21).

If the valuation of the investment properties increased/decreased by 1%, the carrying amount of the investment properties and net (loss)/profit of the Group will increase/decrease by S\$717,000 (2024: S\$980,000).

(b) Expected credit losses of amounts receivables from subsidiary corporations

As at 31 December 2025, the Company recognised loss allowance on amounts receivables from subsidiary corporations amounted to S\$48,634,000 (2024: S\$47,479,000) are disclosed in Notes 12 and 14 to the financial statements.

The Company measures expected credit loss ("ECL") using general approach as permitted by SFRS(I) 9 - Financial Instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Company assesses whether the credit risk of the amounts receivables from subsidiary corporations has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 Critical accounting estimates, assumptions and judgements (continued)

(b) *Expected credit losses of amounts receivables from subsidiary corporations* (continued)

When determining whether the credit risk of the amounts receivables from subsidiary corporations has increased significantly since initial recognition and when estimating ECL, the Company considered reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment.

The assessment of the correlation between historical observed default rates and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The Company's historical credit loss experience may also not be representative of the receivables' actual default in the future.

During the financial year ended 31 December 2025, management assessed that the credit risk associated with the amount due from a subsidiary corporation had increased significantly, and accordingly a loss allowance for ECL amounting to S\$42,740,000 (Note 32(b)) was recognised.

The determination of ECL involves significant judgement and estimation, particularly in assessing the recoverability of the amounts receivables from subsidiary corporations future cash flow projections. Changes in these assumptions may result in material adjustments to the loss allowance recognised in future periods.

The information about the ECL on the Company's amounts receivables from subsidiary corporations is disclosed in Note 32 (b)(iii) to the financial statements.

(c) *Assessment of control over investment entities* *(collectively known as Fengchi IOT Management Co., Ltd, Daju Logistics (Tianjin) Co., Ltd and Tianjin Fengyu Corporate Secretarial Co., Ltd)*

Judgement is required in determining whether the Group has control over the investment entities in accordance with SFRS(I) 10 Consolidated Financial Statements. Control exists when the Group has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power to affect those returns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 Critical accounting estimates, assumptions and judgements (continued)

- (c) *Assessment of control over investment entities (continued)*
(collectively known as Fengchi IOT Management Co., Ltd, Daju Logistics (Tianjin) Co., Ltd and Tianjin Fengyu Corporate Secretarial Co., Ltd)

During the previous financial year, changes in the composition of the Company's Board of Directors resulted in representatives associated with the substantial shareholder, Mr. Ding Furu, who is also a Non-executive and Non-independent Director of the Company, forming the majority of the board members of the Company. As a result, the Group assessed that it obtained the ability to direct the relevant activities of Fengchi IOT Management Co., Ltd, Daju Logistics (Tianjin) Co., Ltd and Tianjin Fengyu Corporate Secretarial Co., Ltd (collectively the "investment entities").

Although the Group holds 49% equity interest in the investment entities, the remaining 51% equity interest is held by an entity wholly owned by the substantial shareholder, and the Group, through the board representation and governance arrangements, has the ability to direct the relevant activities of the investment entities and is exposed to variable returns from its involvement.

Based on the above assessment, management concluded that the Group has control over the investment entities in accordance with SFRS(I) 10. Accordingly, the results, assets and liabilities of the investment entities have been consolidated in the Group's financial statements from 1 May 2024 onwards.

For the financial year ended 31 December 2025, management performed reassessment of its control over the investment entities. As the facts and circumstances relevant to the key elements of control remained unchanged, the investee entities continued to be consolidated within the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4 Revenue

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.

	Group			
	Singapore S\$'000	Vietnam S\$'000	PRC S\$'000	Total S\$'000
2025				
<u>Over time</u>				
Properties operations				
– Rental income	–	–	436	436
– Storage service charges	–	–	1,425	1,425
– Management service charges	–	–	158	158
	–	–	2,019	2,019
Royalty fees	–	66	–	66
<u>Point in time</u>				
Restaurant operations	14,237	–	–	14,237
	14,237	66	2,019	16,322
2024				
<u>Over time</u>				
Properties operations				
– Rental income	–	–	359	359
– Storage service charges	–	–	1,206	1,206
– Management service charges	–	–	343	343
	–	–	1,908	1,908
Royalty fees	–	50	–	50
Other	–	–	5	5
<u>Point in time</u>				
Restaurant operations	15,667	–	–	15,667
	15,667	50	1,913	17,630

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5 Other income

	Group	
	2025	2024
	S\$'000	S\$'000
Government grants		
– Senior Employment Credit	18	23
– Wage Credit Scheme	40	175
– Productivity Solutions Grant	2	84
– Grants relating to coffee plantation in PRC	72	–
– Others	14	24
	146	306
Gain on disposal of property plant and equipment	–	199
Waiver of interest on loan ⁽¹⁾	–	1,849
Dividend income ⁽²⁾	100	118
Cash rebates from suppliers	14	13
Insurance claims	89	–
Membership fees	68	25
Other	10	41
	427	2,551

(1) On 4 September 2024, the Group has reached an agreement with a third party to waive interest for the period from 1 January 2023 to 31 December 2024, following the early settlement of the loan principal amounted to S\$20,195,000 which was due on 31 December 2024. The loan arose from the gain of control over the associate company (Note 17).

(2) The Group received dividend income from its investments in a financial asset, at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6 Employee compensation

	Group	
	2025	2024
	S\$'000	S\$'000
Salaries and bonus	4,295	4,395
Employer's contribution to defined contributions plan	392	381
Other short-term benefits	722	699
	5,409	5,475

7 Finance expenses

	Group	
	2025	2024
	S\$'000	S\$'000
Interest expense		
– Bank borrowings	1,218	940
– Immediate and ultimate holding corporation	1,053	287
– Related party	28	17
– Lease liabilities (Note 20(b))	44	83
	2,343	1,327

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8 Other operating expenses

	Group	
	2025	2024
	S\$'000	S\$'000
Advertisement	24	14
Auditor's remuneration paid/payable to:		
– Auditor of the Company	132	128
– Other auditors ^(a)	13	10
Bank charges	298	325
Cleaning	224	228
Consumables	70	76
Directors' fees	150	105
Entertainment	87	67
Property, plant and equipment written off	106	18
General expenses	190	339
Insurance	89	164
Loss on disposal of management rights over a land parcel	139	–
Printing and stationery	55	57
Professional fees	693	323
Property tax	178	135
Rental expenses (Note 20(c))	91	71
Repair and maintenance	59	246
Stamp duty	10	8
Services charge	524	575
Telecommunication	38	30
Travelling and transportation	148	84
Upkeep of motor vehicles	33	23
Utilities	726	440
Other	194	42
Total other operating expenses	4,271	3,508

(a) Includes Shanghai CLA Global TS Certified Public Accountants.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 Income taxes

(a) Income tax expenses

	Group	
	2025	2024
	S\$'000	S\$'000
Tax expenses attributable to (loss)/profit is made up of:		
(Loss)/profit for the financial year:		
– Current income tax - Singapore (Note 9(b))	179	427
Over provision of income tax in prior financial years:		
– Current income tax - Singapore (Note 9(b))	(39)	(135)
	140	292

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
(Loss)/profit before income tax	(26,186)	1,732
Share of loss of associated companies (Note 17)	–	528
Profit before income tax and share of loss of associated companies	(26,186)	2,260
Tax calculated at tax rate of 17% (2024: 17%)	(4,452)	384
Effects of:		
– Different tax rates in other countries	(232)	(445)
– Income not subject to tax	–*	(140)
– Expenses not deductible for tax purposes	4,196	34
– Tax incentives	(35)	(35)
– Deferred tax assets not recognised	863	724
– Utilisation of previously unrecognised tax losses	(159)	(64)
– Over provision of tax in prior financial years	(39)	(135)
– Other	(2)	(31)
Tax expenses	140	292

* Amount is less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 Income taxes (continued)

(a) *Income tax expenses* (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowance of approximately S\$28,385,000 (2024: S\$25,866,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses and capital allowance have no expiry date except for tax losses which amounted to approximately S\$25,579,000 (2024: S\$22,125,000) which can only be carried forward up to 5 years.

(b) *Movement in current income tax liabilities:*

	Group	
	2025	2024
	S\$'000	S\$'000
Beginning of financial year	433	416
Income tax paid	(371)	(275)
Tax on gains on disposal of financial asset, at FVOCI (Note 26)	2,862	-
Tax expenses (Note 9(a))	179	427
Over provision in prior financial years (Note 9(a))	(39)	(135)
End of financial year	3,064	433

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 Income taxes (continued)

(c) *The tax charge relating to each component of other comprehensive income is as follows:*

	Before tax S\$'000	Group Tax charge S\$'000	After tax S\$'000
2025			
Fair value gains on financial assets, at FVOCI (Note 26)	10,138	(1,212)	8,926
Currency translation differences arising from consolidation	(52)	–	(52)
Other comprehensive income/(loss)	<u>10,086</u>	<u>(1,212)</u>	<u>8,874</u>
2024			
Fair value gains on financial assets, at FVOCI (Note 26)	97	(459)	(362)
Currency translation differences arising from consolidation	(64)	–	(64)
Other comprehensive income/(loss)	<u>33</u>	<u>(459)</u>	<u>(426)</u>

10 Earnings per share

Basic (loss)/earnings per ordinary share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
(Loss)/profit attributable to equity holders of the Company (S\$'000)	<u>(11,990)</u>	<u>3,256</u>
Weighted average number of ordinary shares outstanding for basic (loss)/earnings per share	<u>1,434,967,260</u>	<u>1,434,967,260</u>
Basic (loss)/earnings per share (cents per share)	<u>(0.84)</u>	<u>0.23</u>

The dilutive earnings per share is the same as the basic loss per share as there were no dilutive potential shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11 Cash and cash equivalents

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Cash at bank and on hand	14,886	7,788	204	126

Significant restrictions

Cash and cash equivalents of S\$11,056,000 (2024: S\$1,426,000) are held in PRC and are subject to local exchange control regulations. These local exchange regulations provide for restrictions on exporting capital from the country, other than through dividends.

12 Trade and other receivables – current

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Trade receivables				
– Non-related parties	387	778	7	5
Other receivables				
– Non-related parties	121	37	–	5
– Subsidiary corporations ^(a)	–	–	2,047	1,886
	121	37	2,047	1,891
Less: Loss allowance (Note 32(b))	–	–	(1,703)	(1,703)
Other receivables – net	121	37	344	188
Loan to a subsidiary corporation ^(b)	–	–	–	41,517
Prepayments	114	140	11	14
Deposits	190	40	–	–
	812	995	362	41,724

(a) Amount due from subsidiary corporations which are non-trade in nature, are unsecured, interest-free and repayable on demand.

(b) Loan to a subsidiary corporation is unsecured, bears interest rate at 5% per annum. The loan was initially repayable on 12 August 2025 and has been extended to 12 August 2028. As a result, the loan has been reclassified to non-current receivables during the current financial year (Note 14). The loan is used to repay the bank loan and amount due to a creditor in respect of the construction of the investment properties in Tianjin, People's Republic of China.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13 Inventories

	Group	
	2025 S\$'000	2024 S\$'000
Processed inventories	1,003	1,127
Raw materials	4,399	1,913
	<u>5,402</u>	<u>3,040</u>

The cost of inventories recognised as an expense presented in the consolidated statement of comprehensive income amounted to S\$4,227,000 (2024: S\$4,381,000).

14 Other receivables – non-current

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Deposits ^(a)	822	865	–	–
Loan to subsidiary corporations				
– Shanghai Yiwen Information and Technology Co., Ltd. ^(b)	–	–	3,847	4,076
– Fengchi IOT Management Co., Ltd. ^(c)	–	–	42,740	–
Less: Loss allowance (Note 32(b)(iii))	–	–	(42,740)	–
	<u>822</u>	<u>865</u>	<u>3,847</u>	<u>4,076</u>

(a) The Group's deposits include an amount of S\$457,000 (2024: S\$467,000) representing a deposit pledged to a financial institution for the Group's borrowings (Note 24).

(b) The loan is non-trade in nature, unsecured, interest-free and repayable on demand. The amount is classified as non-current as the Company does not expect to receive the payment within the next 12 months from the end of the reporting period.

(c) The loan is unsecured, bears interest rate at 5% per annum and is repayable on 12 August 2028. The loan is used to repay the bank loan and amount due to a creditor in respect of the construction of the investment properties in Tianjin, People's Republic of China.

Management has assessed the recoverability of the loan and recognised a loss allowance for expected credit losses of S\$42,740,000 as at 31 December 2025 (2024: Nil), as disclosed in Note 32(b)(iii).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14 Other receivables – non-current (continued)

The fair values of non-current other receivables are computed based on cash flows discounted at market borrowing rates. The fair values are within level 2 of the fair value hierarchy. The fair values and the market borrowing rates are used as follows:

	Group			
	Borrowing rates		Fair value	
	2025 %	2024 %	2025 S\$'000	2024 S\$'000
Deposits	1.32	2.15	679	831

	Company			
	Borrowing rates		Fair value	
	2025 %	2024 %	2025 S\$'000	2024 S\$'000
Subsidiary corporations	3.05	4.28	3,733	3,748

15 Intangible assets

	Trademark S\$'000
Group	
2025	
Cost	
Beginning of financial year	–
Addition	5
End of financial year	5
Accumulated amortisation	
Beginning of financial year	–
Amortisation charge	–*
End of financial year	–*
Carrying amounts	
At 31 December 2025	5
At 31 December 2024	–

* Amount is less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16 Financial assets, at FVOCI

	Group	
	2025 S\$'000	2024 S\$'000
Quoted equity security – Lingbao Gold Group Co., Ltd (“Lingbao”)		
Beginning of financial year	5,429	5,332
Fair value gains (Note 28(b)(iii)) - net	10,295	97
Disposal**	(10,137)	–
End of financial year	5,587	5,429

The financial asset at FVOCI represents 1,904,249 shares (2024: 9,950,249 shares) held in Lingbao Gold Group Co., Ltd, which is engaged in the mining, processing, smelting and sale of gold and other metallic products.

Lingbao was a joint stock limited company incorporated in the PRC, which partially of its are listed on the Stock Exchange of Hong Kong Limited. During the financial year ended 31 December 2025, the shares held by the Group are converted into H shares and it can be traded on the Hong Kong Stock Exchange, and the fair value of the investment is determined based on quoted market prices (Level 1 fair value hierarchy).

The Group has elected to measure this investment in equity instruments at fair value through other comprehensive income (FVOCI) as the investment is held for long-term strategic purposes rather than for trading.

**During the financial year ended 31 December 2025, the Group partially disposal of its listed equity securities for a consideration of S\$12,383,000. At the date of disposal, these equity securities had a fair value of S\$10,137,000 and cumulative fair value gain on disposal of S\$6,398,000, net of tax. The cumulative gain on disposal was reclassified from fair value reserve to accumulated losses (Note 28(b)(iii)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17 Investments in associated companies

	Group	
	2025 S\$'000	2024 S\$'000
Investments at equity accounting		
Beginning of financial year	–	5,276
Currency translation differences	–	48
Share of loss of associated companies	–	(528)
Effect of gain of control over associated companies ⁽¹⁾	–	(4,796)
End of financial year	–	–

There were no contingent liabilities relating to the Group's interest in the associated companies.

Set out below are the associated companies of the Group.

<u>Name of associated companies</u>	<u>Principal activities</u>	<u>Place of business/country of incorporation</u>	<u>% of ownership interest</u>	
			2025	2024
<u>Held through Pavillon Business Development (Shanghai) Co., Ltd.</u>				
Daju Logistics (Tianjin) Co., Ltd. ("Daju") ^(a)	Logistics management, non-residential real estate leasing such as conference and exhibition services, car sales and new energy vehicle sales.	PRC	–	– ⁽¹⁾
<u>Held through Tianjin Lanting Enterprise Management Co., Ltd.</u>				
Fengchi IOT Management Co., Ltd. ("Fengchi IOT") ^(a)	Warehouse and logistics management	PRC	–	– ⁽¹⁾
<u>Held through Fengchi IOT</u>				
Tianjin Fengyu Corporate Secretarial Co., Ltd. ^(b)	Provision of corporate secretarial services	PRC	–	– ⁽¹⁾

(a) Audited by Shanghai CLA Global TS Certified Public Accountants.

(b) The associated company is exempted from audit by law in the country of incorporation. It is not significant to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17 Investments in associated companies (continued)

- (1) During the financial year ended 31 December 2024, the Group has gained control over associated companies. The effect of the changes of control on the cash flows of the Group were:

	Group At 30 April 2024 S\$'000
Cash and bank balances	825
Trade and other receivables	1,070
Property, plant and equipment (Note 19)	107
Investment properties (Note 21)	101,708
Total assets	103,710
Trade and other payables	
– Related party	1,316
– Non-related party	698
Contract liabilities (Note 23)	87
Bank borrowings	26,892
Loan from a third party	23,576
Loan from a related party	912
Loan from the Company	40,681
Total liabilities	94,162
Net assets as at the date of control obtained	9,548
<u>Reconciliation</u>	
Recognition of non-controlling interests at the date of control obtained	4,872
Derecognition of the carrying amount of investments in associated companies	4,796
Less: Other reserve (Note 28(b)(iv))	(120)
Net assets as at the date of control obtained	9,548

Effect of cash flows of the Group at the date of control obtained as presented in the consolidated statement of cash flows is S\$825,000 (as above).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations

	Company	
	2025	2024
	S\$'000	S\$'000
Cost		
Beginning of financial year	29,902	29,902
Addition	*_	–
End of financial year	<u>29,902</u>	<u>29,902</u>
Accumulated impairment losses		
Beginning and end of financial year	<u>(20,059)</u>	<u>(20,059)</u>
	<u>9,843</u>	<u>9,843</u>

* Amount is less than S\$1,000

During the financial year, the Company incorporated a wholly-owned subsidiary corporations, New Development Properties Pte. Ltd., with an issued share capital of S\$1.

(a) Impairment assessment

Management concluded that there was no indication of impairment for subsidiary corporations except for an under-performing subsidiary corporation in PRC.

Impairment assessment was carried out by management as at 31 December 2025 and 31 December 2024 for the under-performing subsidiary corporation in PRC. The recoverable amount is determined based on the fair value of the underlying assets and the liabilities of the subsidiary corporation which has indicated that the recoverable amount for the subsidiary corporation is higher than the carrying amount. Consequently, no further impairment is required during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Details of the Group's subsidiary corporations are as follows:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2025	2024	2025	2024	2025	2024
			%	%	%	%	%	%
<u>Held by the Company</u>								
Thai Village Restaurant Pte. Ltd. ^(a)	Operation of restaurants	Singapore	100	100	100	100	–	–
Thai Village Pte. Ltd. ^(a)	Operation of restaurants and food stalls	Singapore	100	100	100	100	–	–
Pavillon Global Pte. Ltd. ^(a)	Trading, distribution, import and export of food products	Singapore	100	100	100	100	–	–
Pavillon Overseas Investments Pte. Ltd. ^(a)	Investment holding company	Singapore	100	100	100	100	–	–
New Development Properties Pte. Ltd. ^{(a), (d)}	Real estate developers	Singapore	100	–	100	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Details of the Group's subsidiary corporations are as follows: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
<u>Held by the Company</u> (continued)								
Tianjin Lanting Leasing Co., Ltd. ^(b)	Leasing of all types of goods, which may include machinery, tools, equipment, devices, vehicles and instruments and wholesale and retail of auto parts	PRC	75.98	75.98	75.98	75.98	24.02	24.02
Pavillon Business Development (Shanghai) Co., Ltd. ^(b)	Business development, trading, import and export of machineries and investment holdings	PRC	100	100	100	100	–	–
Fengchi Real Estate Sdn. Bhd. ^(c)	Property management	Malaysia	100	100	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Details of the Group's subsidiary corporations are as follows: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
<u>Held through Pavillon Global Pte. Ltd.</u>								
Mist Valley Pte. Ltd. ^(e)	Wholesale of coffee, cocoa and tea	Singapore	100	–	100	–	–	–
<u>Held through Pavillon Overseas Investments Pte. Ltd.</u>								
Shanghai Yiwen Information and Technology Co., Ltd. ^(b)	Investment holding and coffee plantation	PRC	–	–	100	100	–	–
<u>Held through Shanghai Yiwen Information and Technology Co., Ltd.</u>								
Nujiang Geisha Coffee Estate Co., Ltd. ^(c)	Retail business	PRC	100	–	100	–	–	–
Nujiang Snow Mountain Coffee Industrial Park Co., Ltd. ^(c)	Production of alcoholic beverages, beverages, and refined tea	PRC	100	–	100	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Details of the Group's subsidiary corporations are as follows: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2025	2024	2025	2024	2025	2024
			%	%	%	%	%	%
<u>Held through</u>								
<u>Tianjin Lanting Leasing Co., Ltd.</u>								
Tianjin Yixing Intelligent Washing Technology Co., Ltd. ^(b)	Financial leasing of all kind of machineries, tools and equipment	PRC	–	–	75.98	75.98	24.02	24.02
<u>Held through</u>								
<u>Pavillon Business Development (Shanghai) Co., Ltd.</u>								
Tianjin Lanting Enterprise Management Co., Ltd. ^(b)	Asset Management, enterprise management, mergers and acquisitions and financial advisory services	PRC	–	–	100	100	–	–
Daju Logistics (Tianjin) Co., Ltd. ^{(b) (f)}	Logistics management, non-residential real estate leasing such as conference and exhibition services, car sales and new energy vehicle sales	PRC	–	–	49	49	51	51

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Details of the Group's subsidiary corporations are as follows: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2025	2024	2025	2024	2025	2024
			%	%	%	%	%	%
<u>Held through</u> <u>Tianjin Lanting Enterprise Management Co., Ltd.</u>								
Fengchi IOT Management Co., Ltd. (“Fengchi IOT”) ^{(b) (f)}	Warehouse and logistics management	PRC	-	-	49	49	51	51
<u>Held through</u> <u>Fengchi IOT</u>								
Tianjin Fengyu Corporate Secretarial Co., Ltd. ^{(c) (f)}	Provision of corporate secretarial services	PRC	-	-	49	49	51	51

(a) Audited by CLA Global TS Public Accounting Corporation

(b) Audited by Shanghai CLA Global TS Certified Public Accountants for consolidation purposes.

(c) The subsidiary corporation is dormant and is exempted from audit by law in the country of incorporation. It is not significant to the Group.

(d) The subsidiary corporation is incorporated on 28 May 2025.

(e) The subsidiary corporation is incorporated on 14 July 2025 and not required to be audited by law in the country of incorporation.

(f) These entities are considered subsidiary corporations of the Group as the Group is exposed to variable returns from these entities and has the ability to affect those returns through the management's control over the relevant activities of these entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Carrying value of non-controlling interests

	2025	2024
	S\$'000	S\$'000
Tianjin Lanting Leasing Co., Ltd.	3,246	3,294
Tianjin Yixing Intelligent Washing Technology Co., Ltd.	1,259	1,274
Daju Logistics (Tianjin) Co., Ltd.	(831)	(426)
Fengchi IOT Management Co., Ltd	(10,130)	3,844
Tianjin Fengyu Corporate Secretarial Co., Ltd.	(5)	(6)
Total	<u>(6,461)</u>	<u>7,980</u>

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below is the summarised financial information for each subsidiary corporations that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	Tianjin Lanting Leasing Co., Ltd.		Tianjin Yixing Intelligent Washing Technology Co., Ltd.		Daju Logistics (Tianjin) Co., Ltd.		Fengchi IOT Management Co., Ltd	
	2025	2024	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current								
Assets	16,599	16,904	5,245	5,309	273	314	1,211	1,926
Liabilities	<u>(5,654)</u>	<u>(5,760)</u>	<u>(2)</u>	<u>(7)</u>	<u>(166)</u>	<u>(218)</u>	<u>(8,123)</u>	<u>(52,703)</u>
Total current net assets/ (liabilities)	<u>10,945</u>	<u>11,144</u>	<u>5,243</u>	<u>5,302</u>	<u>107</u>	<u>96</u>	<u>(6,912)</u>	<u>(50,777)</u>
Non-current								
Assets	7,966	7,966	–	1	–	–	72,176	98,590
Liabilities	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,737)</u>	<u>(931)</u>	<u>(85,125)</u>	<u>(40,275)</u>
Total non- current net assets/ (liabilities)	<u>7,966</u>	<u>7,966</u>	<u>–</u>	<u>1</u>	<u>(1,737)</u>	<u>(931)</u>	<u>(12,949)</u>	<u>58,315</u>
Net assets/ (liabilities)	<u>18,911</u>	<u>19,110</u>	<u>5,243</u>	<u>5,303</u>	<u>(1,630)</u>	<u>(835)</u>	<u>(19,861)</u>	<u>7,538</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Summarised statement of comprehensive income

	Tianjin Lanting Leasing Co., Ltd.		Tianjin Yixing Intelligent Washing Technology Co., Ltd.		Daju Logistics (Tianjin) Co., Ltd.		Fengchi IOT Management Co., Ltd	
	2025	2024	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	–	–	–	–	55	22	2,752	2,423
Net profit/(loss) for the financial year	1	(1,669)	35	(95)	(805)	(607)	(27,321)	(2,121)
Other comprehensive (loss)/income	(199)	(25)	(95)	1	10	(1)	(78)	(130)
Total comprehensive loss, representing net loss for the financial year	(198)	(1,694)	(60)	(94)	(795)	(608)	(27,399)	(2,251)
Total comprehensive loss allocated to non- controlling interests	(48)	(407)	(14)	(23)	(405)	(310)	(13,974)	(1,148)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18 Investments in subsidiary corporations (continued)

Summarised financial information of subsidiary corporations with material non-controlling interests
(continued)

Summarised statement of cash flows

	Tianjin Lanting Leasing Co., Ltd.		Tianjin Yixing Intelligent Washing Technology Co., Ltd.		Daju Logistics (Tianjin) Co., Ltd.		Fengchi IOT Management Co., Ltd	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Net cash (used in)/provided by operating activities	(43)	(45)	(12)	(869)	(18)	(731)	7,922	159
Net cash provided by/(used in) investing activities	–	120	–	–	–	–	(5)	(135)
Net cash (used in)/provided by financing activities	–	–	–	–	–	–	(8,284)	476
Net (decrease)/ increase in cash and cash equivalents	(43)	75	(12)	(869)	(18)	(731)	(367)	500
Beginning of financial year	83	8	188	1,057	57	788	1,068	568
Effects of currency translation on cash and cash equivalents	1	–*	3	–*	–	–*	(18)	–*
End of financial year	41	83	179	188	39	57	683	1,068

* Amount is less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 Property, plant and equipment

Group	Leasehold properties S\$'000	Furniture and fittings S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Computers and software S\$'000	Operating supplies S\$'000	Capital work-in-progress S\$'000	Total S\$'000
2025								
Cost								
Beginning of financial year	4,768	1,712	455	142	217	25	–	7,319
Currency translation differences	–	(2)	(1)	(1)	–	–	6	2
Addition	1,112	857	71	56	3	–	1,105	3,204
Disposal	–	–	(1)	–	(2)	–	(267)	(270)
Written off	(907)	(992)	(178)	–	(7)	–	–	(2,084)
Reclassification	–	(12)	5	–	7	–	–	–
End of financial year	4,973	1,563	351	197	218	25	844	8,171
Accumulated depreciation								
Beginning of financial year	3,402	1,300	207	138	176	25	–	5,248
Currency translation differences	–	(1)	–	–	(1)	–	–	(2)
Depreciation charge	1,114	105	49	2	30	–	–	1,300
Disposal	–	–	(1)	–	(2)	–	–	(3)
Written off	(907)	(982)	(83)	–	(6)	–	–	(1,978)
End of financial year	3,609	422	172	140	197	25	–	4,565
Net book value								
End of financial year	1,364	1,141	179	57	21	–	844	3,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 Property, plant and equipment (continued)

	Leasehold properties S\$'000	Furniture and fittings S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Computers and software S\$'000	Operating supplies S\$'000	Construction in progress S\$'000	Total S\$'000
Group 2024								
Cost								
Beginning of financial year	4,768	1,767	426	488	123	29	-	7,601
Currency translation differences	-	(1)	-*	-*	(1)	-	-	(2)
Effect of gain of control over associated companies (Note 17)	-	84	31	66	74	-	10	265
Transfer to investment properties (Note 21)	-	-	-	-	-	-	(10)	(10)
Addition	-	99	32	-	35	-	-	166
Disposal	-	-	-	(412)	-	-	-	(412)
Written off	-	(237)	(34)	-	(14)	(4)	-	(289)
End of financial year	4,768	1,712	455	142	217	25	-	7,319

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 Property, plant and equipment (continued)

	Leasehold properties S\$'000	Furniture and fittings S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Computers and software S\$'000	Operating supplies S\$'000	Construction in progress S\$'000	Total S\$'000
Accumulated depreciation	2,321	1,219	154	488	118	25	-	4,325
Beginning of financial year	-	-*	-*	-*	-*	-	-	-*
Currency translation differences	-	37	12	61	48	-	-	158
Effect of gain of control over associated companies (Note 17)	1,081	75	47	1	24	-	-	1,228
Depreciation charge	-	-	-	(412)	-	-	-	(412)
Disposal	-	(31)	(6)	-	(14)	-	-	(51)
Written off	3,402	1,300	207	138	176	25	-	5,248
End of financial year	-	188	28	-	-	4	-	220
Accumulated impairment loss	-	(188)	(28)	-	-	(4)	-	(220)
Beginning of financial year	-	-	-	-	-	-	-	-
Written off	-	-	-	-	-	-	-	-
End of financial year	1,366	412	248	4	41	-	-	2,071
Net book value	-	-	-	-	-	-	-	-
End of financial year	-	-	-	-	-	-	-	-

* Amount less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 Property, plant and equipment (continued)

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20(a) to the financial statements.

	Company	
	2025	2024
	S\$'000	S\$'000
Computers		
<i>Cost</i>		
Beginning of financial year	3	3
<i>Accumulated depreciation</i>		
Beginning of financial year	3	3
<i>Net book value</i>		
End of financial year	–	–

20 Leases – The Group as a lessee

Nature of the Group's leasing activities

Office and restaurant premises

The Group leases office premises and restaurants for the purpose of back office operations and operations of restaurants respectively.

The Group has made an upfront payment to secure the right-of-use of 30-year leasehold properties, which is used for the head office of the Group. The Group also makes monthly payments for leasehold properties. The right-of-use assets are classified as Property, plant and equipment (Note 19).

There are no externally imposed covenants on these lease arrangements.

Motor vehicles

The Group entered into a finance lease agreement for leasing motor vehicles for daily operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20 Leases – The Group as a lessee (continued)

Nature of the Group's leasing activities (continued)

- (a) Carrying amounts of ROU assets classified within property, plant and equipment.

	Office and restaurant premises	
	2025 S\$'000	2024 S\$'000
Cost		
Beginning of financial year	1,200	2,230
Additions	1,112	–
Depreciation	(1,062)	(1,030)
End of financial year	1,250	1,200

- (b) Interest expense

	2025 S\$'000	2024 S\$'000
Interest expense on lease liabilities (Note 7)	44	83

- (c) Lease expense not capitalised in lease liabilities

	2025 S\$'000	2024 S\$'000
Lease expense – short-term and low-value leases	3	2
Variable lease payments which do not depend on an index or rate	88	69
Total (Note 8)	91	71

- (d) Total cash outflow for all the leases in 2025 was S\$1,157,000 (2024: S\$1,133,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20 Leases – The Group as a lessee (continued)

Nature of the Group's leasing activities (continued)

(e) Future cash outflow which are not capitalised in lease liabilities

(i) Variable lease payments

The leases for certain restaurant outlet contain variable lease payments that are based on one percent of the sales generated by the restaurant outlet, on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for the restaurant outlet. Such variable lease payments are recognised to profit or loss when incurred and amounted to S\$88,000 (2024: S\$69,000) (Note 20(c)).

(ii) Extension options

The leases for certain restaurant outlet contain extension options, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension options are exercisable by the Group and not by the lessor.

21 Investment properties

	Group	
	2025	2024
	S\$'000	S\$'000
Beginning of financial year	98,039	–
Currency translation differences	(1,703)	(1,042)
Effect of gain of control over associated companies (Note 17)	–	101,708
Transfer from property, plant and equipment ^(a) (Note 19)	–	10
Additions ^(a)	–	114
Fair value loss recognised in profit or loss	(24,678)	(2,751)
End of financial year	71,658	98,039

(a) Included in additions are capitalised expenditure of S\$NIL (2024: S\$114,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21 Investment properties (continued)

The Group's borrowings are secured on investment properties of the Group with carrying amounts of S\$71,658,000 (2024: S\$98,039,000) and all income from the investment properties.

The following amounts are recognised in profit or loss:

	Group	
	2025 S\$'000	2024 S\$'000
Revenue from properties operations (Note 4)	2,019	1,908
Direct operating expenses arising from:		
– Investment properties that generate rental income	(1,129)	(1,816)

At the reporting date, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure
No. 1166 Chongqing Road, Dongjiang Bonded Port, Tianjin, PRC.	10-storey office building with a basement level, a 6-storey open garage, a 5-storey enclosed garage, a garbage chamber and two guard houses.	50-year lease from 12 January 2018

Fair value hierarchy – Recurring fair value measurements

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant other observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000
31 December 2025			
Properties located at Tianjin, PRC	–	71,658	–
31 December 2024			
Properties located at Tianjin, PRC	–	98,039	–

Valuation techniques and inputs used to derive Level 2 fair values

Level 2 fair values of the Group's investment properties were derived using the income approach, based on a range of assumptions and estimates (including, amongst others, gross capitalisation rates and estimated market rental yields) used by the external professional valuer. These estimates are based on local market conditions existing at the reporting date.

There were no changes in valuation techniques during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21 Investment properties (continued)

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year. As at 31 December 2025 and 2024, the fair values of the properties have been determined by Robert Khan & Co Pte Ltd.

The valuations are carried out in accordance with generally accepted valuation methodologies and are consistent with the requirements of SFRS(I) 13 Fair Value Measurement. The valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair values are determined based on income capitalisation approach, using observable market data where available and incorporating assumptions that reflect current market conditions.

22 Trade and other payables

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Current				
Trade payables				
– Non-related parties	493	561	–	–
Other payables				
– Non-related parties	1,997	2,117	24	86
– Related party	–	3,555	–	–
– Subsidiary corporations	–	–	2,677	2,974
– Directors	75	60	75	60
Franchise deposits	40	40	40	40
Accruals for operating expenses	929	751	207	202
	3,041	6,523	3,023	3,362
	3,534	7,084	3,023	3,362
Non-current				
Other payables				
– Related party	5,045	931	–	–
Franchise deposits	60	60	60	60
	5,105	991	60	60
Total trade and other payables	8,639	8,075	3,083	3,422

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22 Trade and other payables (continued)

The amount due to a related party, directors and subsidiary corporations under current liabilities are unsecured, interest-free and repayable on demand.

The amount due to a related party of S\$3,309,000 and S\$1,736,000 (2024: S\$931,000) under non-current liabilities is unsecured, interest-free and repayable in full by 23 December 2027 and 14 September 2028 respectively.

The fair values of non-current trade and other payables are computed based on cash flows discounted at market borrowing rates. The fair values are within level 2 of the fair value hierarchy. The fair values and the market borrowing rates are used as follows:

	Group			
	Borrowing rates		Fair value	
	2025 %	2024 %	2025 S\$'000	2024 S\$'000
Amount due to a related party	3.05	4.28	4,610	787
Franchise deposits	3.05	4.28	57	53

	Company			
	Borrowing rates		Fair value	
	2025 %	2024 %	2025 S\$'000	2024 S\$'000
Franchise deposits	3.05	4.28	57	53

23 Contract liabilities

	Group	
	2025 S\$'000	2024 S\$'000
Properties operations:		
Advances received from tenants	85	81
Restaurant operations:		
Deferred revenue from cash vouchers sold	22	18
	<u>107</u>	<u>99</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23 Contract liabilities (continued)

A reconciliation of the advances received from tenants is as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Beginning of financial year	81	–
Effect of gain of control over the associated companies (Note 17)	–	87
Advance received from tenants during the financial year	1,016	245
Revenue recognised during the financial year	(1,012)	(251)
End of financial year	85	81

A reconciliation of the deferred revenue from cash vouchers sold is as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Beginning of financial year	18	1
Cash vouchers sold during the financial year	76	24
Revenue recognised during the financial year	(72)	(7)
End of financial year	22	18

Management expects that the unsatisfied performance obligations as at 31 December 2025 will be recognised as revenue in next financial year as the vouchers' expiry date is 6 months from date of issue and the advance received from tenants are rental income and maintenance service charges related to the lease period within next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24 Borrowings

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Current				
Bank borrowings	3,856	4,446	–	161
Loan from a third party ⁽¹⁾	1,273	1,296	–	–
Loan from a related party ⁽²⁾	–	922	–	–
Lease liabilities	484	950	–	–
	<u>5,613</u>	<u>7,614</u>	<u>–</u>	<u>161</u>
Non-current				
Bank borrowings	15,721	19,937	–	–
Loan from a related party ⁽²⁾	933	–	–	–
Loan from immediate and ultimate holding corporation ⁽³⁾	23,355	20,482	–	–
Lease liabilities	544	247	–	–
	<u>40,553</u>	<u>40,666</u>	<u>–</u>	<u>–</u>
Total borrowings	<u>46,166</u>	<u>48,280</u>	<u>–</u>	<u>161</u>

(1) The loan from third party is secured by the Group's investment properties (Note 21), bears interest rate at 5% per annum and was due on 31 December 2024. The Group made early settlement of the loan principal amount of S\$20,195,000 on 4 September 2024.

As at 31 December 2025, the remaining outstanding amount of S\$1,273,000 (2024: S\$1,296,000) pertained to interest payable. The Group is in the process of negotiating a waiver or extension of payment terms for the outstanding interest at the date of authorisation of these financial statements.

(2) The loan from a related party is unsecured, bears interest rate at 5% per annum. The loan was initially repayable on 31 December 2024 and has been extended to 31 December 2027. Accordingly, the outstanding balance has been reclassified from current liabilities to non-current liabilities during the financial year ended 31 December 2025.

(3) The loan from immediate and ultimate holding corporation is unsecured, bears interest rate at 5% per annum and will be repayable in full by 19 September 2032.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24 Borrowings (continued)

(a) Fair value of non-current borrowings

The fair value is determined from the cash flow analysis, discounted at market borrowing rate of an equivalent instrument at the reporting date which the directors expect to be available to the Group as follows:

	Group			
	Borrowing rates		Fair value	
	2025	2024	2025	2024
	%	%	S\$'000	S\$'000
Bank borrowings	3.05	4.28	15,118	17,790
Loan from a related party	3.05	–	906	–
Loan from immediate and ultimate holding corporation	3.05	4.28	25,117	20,424

(b) Security granted

Bank borrowings include secured liabilities of S\$19,577,000 (2024: S\$24,383,000) for the Group. Bank borrowings of the Group are secured over deposits (Note 14), investment properties (Note 21), all income from the investment properties (Note 21) and corporate guarantee from the Company (Note 31), a related party and immediate and ultimate holding corporation.

(c) Undrawn borrowing facilities

	Group		Company	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Expiring beyond one year	42,813	45,638	10,000	10,000

The borrowing facilities are granted from the immediate and ultimate holding corporation. The facilities are arranged mainly to help finance the Group's intended potential new projects, part of it will be used for loan repayment, capital expenditure for the investment properties and working capital purpose.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25 Provisions

	Group	
	2025 S\$'000	2024 S\$'000
<i>Dismantle, removal and restoration</i>		
Beginning of financial year	339	339
Utilised	(99)	–
Addition	260	–
End of financial year	500	339

A provision is recognised for expected costs for dismantling, removal and restoration of property, plant and equipment based on the best estimate of the expenditure with reference to past experience.

26 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2025 S\$'000	2024 S\$'000
Deferred tax assets	141	52
Deferred tax liabilities	(1,401)	(559)
Net deferred tax liabilities	(1,260)	(507)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26 Deferred income taxes (continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation S\$'000	ROU assets S\$'000	Fair value gains-net (Note 9(c)) S\$'000	Other S\$'000	Total S\$'000
2025					
Beginning of financial year	60	48	459	(8)	559
Charged/(credited) to:					
– Profit or loss	(20)	129	–	(20)	89
– Other comprehensive income	–	–	3,615	–	3,615
Transfer to current income tax liabilities (Note 9(b))	–	–	(2,862)	–	(2,862)
End of financial year	<u>40</u>	<u>177</u>	<u>1,212</u>	<u>(28)</u>	<u>1,401</u>
2024					
Beginning of financial year	52	102	–	–	154
Charged/(credited) to:					
- Profit or loss	8	(54)	–	(8)	(54)
- Other comprehensive income	–	–	459	–	459
End of financial year	<u>60</u>	<u>48</u>	<u>459</u>	<u>(8)</u>	<u>559</u>

Group

Deferred income tax assets

	Group Lease liabilities	
	2025 S\$'000	2024 S\$'000
Beginning of financial year	52	106
Charged to profit or loss	89	(54)
End of financial year	<u>141</u>	<u>52</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27 Share capital

Group and Company
Number of **Issued and paid-**
shares **up share capital**
S\$'000

2025 and 2024

Beginning and end of financial year	1,434,967,260	82,097
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All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

28 Other reserves

(a) *Composition:*

	Group	
	2025	2024
	S\$'000	S\$'000
Capital reserve	3,478	3,478
Currency translation reserve	(38)	(91)
Fair value reserve	3,636	1,108
Other reserve	(120)	(120)
	6,956	4,375

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 Other reserves (continued)

(b) *Movements:*

	Group	
	2025	2024
	S\$'000	S\$'000
(i) <i>Capital reserve</i>		
Beginning and end of financial year	3,478	3,478
(ii) <i>Currency translation reserve</i>		
Beginning of financial year	(91)	(99)
Currency translation differences of financial statements of foreign subsidiary corporations	(52)	(64)
Add: non-controlling interests	105	72
End of financial year	(38)	(91)
(iii) <i>Fair value reserve</i>		
Beginning of financial year	1,108	1,117
Financial assets, at FVOCI		
— Fair value gains (Note 16)	10,295	97
— Tax on fair value changes (Note 9(c))	(1,212)	(459)
— Foreign exchange loss	(157)	—
Effect of transfer of financial asset, at FVOCI	—	353
Less: Transfer upon disposal of financial asset, at FVOCI (Note 16)	(6,398)	—
End of financial year	3,636	1,108
(iv) <i>Other reserves</i> ^(a)		
Beginning of financial year	(120)	—
Effect of consolidating the associated companies with net liabilities position (Note 17)	—	(120)
End of financial year	(120)	(120)

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 Accumulated losses

Movement in accumulated losses of the Company is as follows:

	Company	
	2025 S\$'000	2024 S\$'000
Beginning of financial year	(29,911)	(32,061)
Net (loss)/profit	(41,013)	2,150
End of financial year	(70,924)	(29,911)

30 Commitments

The Group has the following commitments as at the reporting date:

	Group	
	2025 S\$'000	2024 S\$'000
Capital commitment in relations to capital injection into investments in PRC		
– Tianjin Lanting Leasing Co., Ltd.	31,162	31,162
– Shanghai Yiwen Information and Technology Co., Ltd.	–	19
– Tianjin Fengyu Corporate Secretarial Co., Ltd.	182	182
– Daju Logistics (Tianjin) Co., Ltd.	1,992	1,992
– Nujiang Geisha Coffee Estate Co., Ltd.	183	–
– Nujiang Snow Mountain Coffee Industrial Park Co., Ltd.	183	–
	33,702	33,355

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31 Corporate guarantees

Subsidiary corporations

The Company has issued corporate guarantees to a bank to secure a subsidiary corporation's bank loan (Note 24). The bank borrowings amounted to S\$145,000 (2024: S\$354,000) at the reporting date.

A subsidiary corporation of the Company – Tianjin Lanting Leasing Co., Ltd. and together with the major shareholder of Fengchi IOT has issued joint and several corporate guarantee to a creditor of Fengchi IOT for the amount due in respect of the construction of the logistics hub in Tianjin, People's Republic of China. The amount of corporate guarantee provided to Fengchi IOT as at the reporting date is as follows:

	2025 S\$'000	2024 S\$'000
Joint and several corporate guarantees to:		
– A creditor	232	259

32 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's overall strategies, tolerance of risks, and general risk management philosophy are determined by the Board in accordance with prevailing economic and operating conditions. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

(i) Currency risk

The Group operates mainly in Singapore and PRC. Entities in the Group regularly transact in their respective functional currencies.

The Group is not exposed to the currency transaction risk as the transactions, financial assets and financial liabilities are denominated in the currency of respective country where the business domiciled and operates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group is exposed to currency translation risk on the net assets of the Group's foreign operations in PRC, which are denominated in Renminbi ("RMB"). The Group does not enter into any of the hedging instruments for the purpose of hedging the translation of its foreign operations. There is no significant debt instrument denominated in foreign currency at the reporting date.

Currency risk arises when transactions are denominated in foreign currencies. To manage the currency risk, the Group minimises the transactions which are denominated in foreign currencies.

The Group's currency exposure based on the information provided by management is as follows:

	SGD S\$'000	RMB S\$'000	Other S\$'000	Total S\$'000
31 December 2025				
Financial assets				
Cash and cash equivalents	3,799	11,059	28	14,886
Trade and other receivables	648	865	7	1,520
Financial assets, at FVOCI	–	5,587	–	5,587
Intra-group receivables	3,020	70,112	3,847	76,979
	<u>7,467</u>	<u>87,623</u>	<u>3,882</u>	<u>98,972</u>
Financial liabilities				
Trade and other payables	(1,386)	(5,770)	(2)	(7,158)
Borrowings	(1,172)	(44,994)	–	(46,166)
Intra-group payables	(3,020)	(70,112)	(3,847)	(76,979)
	<u>(5,578)</u>	<u>(120,876)</u>	<u>(3,849)</u>	<u>(130,303)</u>
Net financial assets/(liabilities)	<u>1,889</u>	<u>(33,253)</u>	<u>33</u>	<u>(31,331)</u>
Less: Net financial assets denominated in respective entities' functional currencies	(1,889)	33,261	(10)	31,362
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u>–</u>	<u>8</u>	<u>23</u>	<u>31</u>

* Amount is less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided by management is as follows: (continued)

	SGD S\$'000	RMB S\$'000	Other S\$'000	Total S\$'000
31 December 2024				
Financial assets				
Cash and cash equivalents	6,329	1,430	29	7,788
Trade and other receivables	528	1,186	6	1,720
Financial assets, at FVOCI	–	5,429	–	5,429
Intra-group receivables	5,542	66,983	4,076	76,601
	12,399	75,028	4,111	91,538
Financial liabilities				
Trade and other payables	(1,190)	(5,337)	–*	(6,527)
Borrowings	(1,713)	(46,567)	–	(48,280)
Intra-group payables	(5,542)	(66,983)	(4,076)	(76,601)
	(8,445)	(118,887)	(4,076)	(131,408)
Net financial assets/(liabilities)	3,954	(43,859)	35	(39,870)
Less: Net financial assets denominated in respective entities' functional currencies	(3,954)	43,869	(10)	39,905
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	–	10	25	35

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided by management is as follows:

	SGD S\$'000	RMB S\$'000	USD S\$'000	Other S\$'000	Total S\$'000
31 December 2025					
Financial assets					
Cash and cash equivalents	204	–	–	–	204
Trade and other receivables	344	–	3,847	7	4,198
	548	–	3,847	7	4,402
Financial liabilities					
Trade and other payables	(3,035)	(24)	–	–	(3,059)
	(3,035)	(24)	–	–	(3,059)
Net financial (liabilities)/assets	(2,487)	(24)	3,847	7	1,343
Less: Net financial liabilities denominated in the Company's functional currency	2,487	–	–	–	2,487
Currency exposure of financial assets	–	(24)	3,847	7	3,830
31 December 2024					
Financial assets					
Cash and cash equivalents	126	–	–	–	126
Trade and other receivables	188	41,517	4,076	5	45,786
	314	41,517	4,076	5	45,912
Financial liabilities					
Trade and other payables	(3,371)	(24)	–	–	(3,395)
Borrowings	(161)	–	–	–	(161)
	(3,532)	(24)	–	–	(3,556)
Net financial (liabilities)/assets	(3,218)	41,493	4,076	5	42,356
Less: Net financial liabilities denominated in the Company's functional currency	3,218	–	–	–	3,218
Currency exposure of financial assets	–	41,493	4,076	5	45,574

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the RMB and USD change against the SGD by 2% (2024: 1%) and 6% (2024: 3%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liabilities/assets position will be as follow:

	Increase/(decrease) Group		Increase/(decrease) Company	
	2025	2024	2025	2024
	Profit after tax S\$'000	Profit after tax S\$'000	Profit after tax S\$'000	Profit after tax S\$'000
RMB against SGD				
– strengthened	–*	–*	–*	344
– weakened	–*	–*	–*	(344)
USD against SGD				
– strengthened	1	–*	192	101
– weakened	1	–*	(192)	(101)

* Amount is less than S\$1,000

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's bank borrowings is charged at a fixed interest rate and are independent of changes in market interest rates.

(iii) Price risk

The Group is exposed to equity price risk arising from the investment held by the Group which is classified as financial assets, at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

The equity securities are quoted and listed on the Stock Exchange of Hong Kong Limited, and their fair value is determined based on quoted market prices (Level 1 of the fair value hierarchy). If the market price of the quoted shares had increased/decreased by 10% (2024: 10%), with all other variables held constant, the Group's other comprehensive income would have increased/decreased by S\$558,700 (2024: S\$542,200).

The Company is not exposed to equity price risk as the Company does not hold any equity financial assets.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are cash and cash equivalents and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral where appropriate to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on ongoing credit evaluations. The counterparty's payment patterns and credit exposure are continually monitored at the entity level by respective managements.

Sales of restaurant operations are required to be settled in cash, NETS or using major credit cards, which has mitigated the credit risk. The trade receivables of the Group comprise of the sales settled in NETS and credit card which are not past due as at 31 December 2025 and 2024.

For properties operations, the Group manages credit risk arising from tenants defaulting on their rental and management service payments by requiring that tenants pay in advance. For the warehousing and storage service business, the Group considers the customers' trade history with the Group, the aging and maturity profile, and the existence of any previous financial difficulties.

The Group has concentration risk on trade receivables as there was 2 debtors (2024: 3 debtors) that represented 83% (2024: 87%) of total trade receivables as at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(b) Credit risk (continued)

As the Group does not hold any collateral or other credit enhancement to cover its credit risks associated with its financial assets (other than finance lease receivables), the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	Group	
	2025	2024
	S\$'000	S\$'000
Joint and several corporate guarantees provided to a creditor of a subsidiary corporation (2024: a subsidiary corporation)	232	259
	Company	
	2025	2024
	S\$'000	S\$'000
Corporate guarantees provided to a bank for subsidiary corporation's bank loan	145	354

The Group's exposure in relation to trade receivables for properties operations as at 31 December 2025 are set out in the provision matrix is as follows:

	Expected losses rate	Group Gross trade receivables	Loss allowances
	%	S\$'000	S\$'000
2025			
Not past due	–	330	–
Past due < 3 months	–	–	–
Past due 3 to 6 months	–	–	–
Past due 6 to 9 months	–	–	–
Past due > 9 months	–	1	–
		331	–
2024			
Not past due	–	276	–
Past due < 3 months	–	229	–
Past due 3 to 6 months	–	204	–
Past due 6 to 9 months	–	–	–
Past due > 9 months	–	1	–
		710	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(b) Credit risk (continued)

The movement in credit loss allowance for other receivables are as follows:

	Company	
	2025	2024
	S\$'000	S\$'000
Other receivables		
Beginning of financial year	1,703	3,353
Reversal	–	(1,650)
Loss allowance (Note 14)	42,740	–
End of financial year (Notes 12 and 14)	44,443	1,703

(i) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. Trade receivables have been grouped based on shared credit risk characteristics and the days past due to measure the ECL by reference to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information.

Trade receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments past due based on historical loss rates for each category of customers and adjusted to reflect current and forward-looking information. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

In determining the ECL of trade receivables, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers. Based on management's evaluation, no loss allowance for trade receivables is recognised for the financial years ended 31 December 2025 and 2024 as management believes that the amounts are collectible, based on historical payment behaviour or collected subsequent to year end.

There has been no change in the estimation techniques or significant assumptions made during the respective financial years ended in December 2025 and 2024.

(ii) Other receivables

The Group uses the general approach to measure the loss allowance for other receivables. Other receivables are individually determined to be impaired when the Group determined that the financial assets have significant increase in credit risk since initial recognition, such as the debtors have financial difficulties and have defaulted on payments during the financial year. As at 31 December 2025 and 2024, the Group performed an assessment of impairment and concluded the loss allowance is adequate.

(iii) Non-trade amounts due from subsidiary corporations

The amount due from subsidiary corporations is for operating funding requirements. The Company uses a general approach for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which credit risk has increased significantly since initial recognition. Loss allowance for a non-performing subsidiary corporation with significant increase in credit risk amounted to S\$1,703,000 (Note 12) has been recognised since the financial year ended 31 December 2021 as there is no reasonable grounds to recover the receivables from the subsidiary corporation. As at 31 December 2025, the Company performed an assessment of impairment on the non-current amount receivables from subsidiary corporations and a loss allowance of S\$42,740,000 (2024: Nil) (Note 14) was recognised, reflecting adverse changes in the financial performance and financial position of the subsidiary corporation.

(iv) Cash and cash equivalents

The Group and the Company held cash and cash equivalents only with reputable licensed financial institutions with high credit-ratings and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(b) Credit risk (continued)

(v) *Financial guarantee contracts*

The Group and the Company have issued financial guarantees to banks for borrowings of a subsidiary corporation, and to a creditor of Fengchi IOT for the amount due in respect of the construction of the logistics hub in Tianjin, People's Republic of China (Note 31). These guarantees are subject to the impairment requirement of SFRS(I) 9. The Group and the Company has assessed that its subsidiary corporation and Fengchi IOT have the ability to meet the contractual cash flow obligations in the near future. Hence, the Group and the Company do not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through having an adequate amount of committed credit facilities to enable it to meet its normal operating commitments. As at the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and cash equivalents as disclosed in Note 11 to the financial statements.

The table below analyses financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year S\$'000	Between 1 and 5 years S\$'000	Over 5 years S\$'000
Group			
At 31 December 2025			
Trade and other payables	3,534	5,105	–
Lease liabilities	484	560	–
Borrowings (excluding lease liabilities)	5,129	12,407	38,228
Financial guarantee contracts	232	–	–
	<u>9,379</u>	<u>18,072</u>	<u>38,228</u>
At 31 December 2024			
Trade and other payables	7,084	991	–
Lease liabilities	950	250	–
Borrowings (excluding lease liabilities)	5,742	12,759	39,915
Financial guarantee contracts	259	–	–
	<u>14,035</u>	<u>14,000</u>	<u>39,915</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(c) Liquidity risk (continued)

	Within 1 year S\$'000	Between 1 and 5 years S\$'000	Over 5 years S\$'000
Company			
At 31 December 2025			
Trade and other payables	3,059	60	–
Financial guarantee contracts	145	–	–
	3,204	60	–
At 31 December 2024			
Trade and other payables	3,335	60	–
Borrowings	162	–	–
Financial guarantee contracts	210	145	–
	3,707	205	–

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group	
	2025	2024
	S\$'000	S\$'000
Net debt	39,919	48,567
Total equity	43,042	60,494
Total capital	82,961	109,061
Gearing ratio	48%	44%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(d) Capital risk (continued)

	Company	
	2025	2024
	S\$'000	S\$'000
Net debt	2,879	3,457
Total equity	11,173	52,186
Total capital	14,052	55,643
Gearing ratio	20%	6%

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 31 December 2025 and 2024 respectively.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2025				
Financial assets, at FVOCI	5,587	–	–	5,587
2024				
Financial assets, at FVOCI	–	5,429	–	5,429

Lingbao was a joint stock limited company incorporated in the PRC, which partially of its are listed on the Stock Exchange of Hong Kong Limited. During the financial year ended 31 December 2025, the shares held by the Group are converted into H shares and it can be traded on the Hong Kong Stock Exchange, and the fair value of the investment is determined based on quoted market prices (Level 1 fair value hierarchy).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32 Financial risk management (continued)

(e) Fair value measurements (continued)

The fair value for the previous financial year was determined by using the trading metrics (multiples) of comparable companies which are publicly-listed companies, and applied discount rate to the estimated equity value to account for a lack of marketability and/ or lack of control within the subject company, which was classified as Level 2.

The fair values of current financial assets and liabilities carried at amortised cost approximates their carrying amount. The fair value of non-current financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group and the Company for similar financial instruments.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Financial assets at amortised cost	16,406	9,508	4,402	45,912
Financial assets at FVOCI	5,587	5,429	–	–
Financial liabilities at amortised cost	53,324	54,807	3,059	3,556

33 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:

(a) Transactions with related parties

	Group	
	2025 S\$'000	2024 S\$'000
Interest income from loan to an associated company	–	621
Interest expenses to loan from a related party	(28)	(17)
Loan from immediate and ultimate holding corporation	2,179	20,105
Advance from a related party	634	3,182
Receipt of rental income from an associated company	–	271
Payment of rental expenses by an associated company	–	(271)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33 Related party transactions (continued)

(b) Key management personnel compensation

	Group	
	2025	2024
	S\$'000	S\$'000
<u>Directors of the Company</u>		
Salaries, allowance and bonus	510	549
Employer's contribution to defined contributions plan	-*	4
Other short-term benefits	20	12
	530	565
<u>Other key management personnel</u>		
Salaries, allowance and bonus	510	495
Employer's contribution to defined contributions plan	87	81
Other short-term benefits	69	70
	666	646

* Amount is less than S\$1,000

The salaries, allowance and bonus disclosed above include S\$116,000 (2024: S\$135,000) of salaries and allowances payable which were unpaid as at the financial year end and are included in other payables.

34 Segment information

For management purposes, the Group is organised into the following reportable operating segments:

- (1) Food and beverages operations, which mainly relate to the operation of restaurant outlets, and collection of royalty fees from the franchised restaurants;
- (2) Properties operations, which mainly relate to operating the logistics hub in Tianjin, PRC;
- (3) All other segments, which mainly relate to management fees from related companies within the Group.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34 Segment information (continued)

The Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information about the Group's reportable segments is as follows:

	Food and beverages S\$'000	Properties S\$'000	All other segments S\$'000	Eliminations S\$'000	Notes	Total S\$'000
2025						
Revenue						
Sales to external parties	14,302	2,020	–	–		16,322
Inter-segment sales	–	787	1,419	(2,206)	A	–
Expenses						
Raw materials and changes in inventories	(4,224)	–	(3)	–		(4,227)
Employee compensation	(4,998)	(188)	(223)	–		(5,409)
Finance expenses	(54)	(2,288)	(1)	–		(2,343)
Results						
Segment profit/(loss)	331	(28,130)	1,473	–		(26,326)
Fair value loss on investment properties	–	(24,678)	–			(24,678)
Interest income	73	–	10	–		83
Depreciation of property, plant and equipment	(1,265)	(31)	(4)	–		(1,300)
Segment assets	12,240	73,302	17,236	–		102,778
Additions to:						
– Property, plant and equipment	2,018	1	1,185	–		3,204
– Intangible assets	–	–	5	–		5
Segment liabilities	3,034	50,369	6,333	–		59,736

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34 Segment information (continued)

Segment information about the Group's reportable segments is as follows: (continued)

	Food and beverages S\$'000	Properties S\$'000	All other segments S\$'000	Eliminations S\$'000	Notes	Total S\$'000
2024						
Revenue						
Sales to external parties	15,717	1,908	5	–		17,630
Inter-segment sales	–	–	1,562	(1,562)	A	–
Expenses						
Raw materials and changes in inventories	(4,381)	–	–	–		(4,381)
Employee compensation	(4,171)	(272)	(1,032)	–		(5,475)
Finance expenses	(100)	(1,217)	(10)	–		(1,327)
Results						
Segment profit/(loss)	2,757	(3,242)	1,925	–		1,440
Share of loss of associated companies	–	(504)	(24)	–		(528)
Fair value loss on investment properties	–	(2,751)	–	–		(2,751)
Interest income	126	2	627	–		755
Depreciation of property, plant and equipment	(1,206)	(21)	(1)	–		(1,228)
Segment assets	11,748	100,562	5,917	–		118,227
Additions to:						
- Property, plant and equipment	156	10	–	–		166
- Investment properties	–	124	–	–		124
Segment liabilities	3,261	51,605	2,867	–		57,733

Notes:

A – Inter-segment revenues are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34 Segment information (continued)

Geographical information:

Revenue of the Group is mainly derived from provision of food and beverage which operates in Singapore and properties operation in PRC.

	Revenue		Non-current assets	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Singapore	14,237	15,667	2,636	1,988
PRC	2,019	1,913	72,633	98,122
Others	66	50	-	-
	<u>16,322</u>	<u>17,630</u>	<u>75,269</u>	<u>100,110</u>

Non-current assets information presented above consist of property, plant and equipment, intangible assets, and investment properties as presented on the statement of financial position.

Major customer information:

Revenue from external customers is derived mainly from restaurant operations. Revenue from restaurant operations does not have concentration risk from any one or more customers, as it is spread over large number of customers.

35 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2026 and which the Group has not early adopted.

Effective for annual periods beginning on or after 1 January 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments
- Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-Dependent Electricity
- Annual Improvements to SFRS(I)s – Volume 11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35 New or revised accounting standards and interpretations (continued)

Effective for annual periods beginning on or after 1 January 2027

SFRS(I) 18: Presentation and Disclosure in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular, those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
 - Foreign exchange difference currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of expense nature for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual report of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35 New or revised accounting standards and interpretations (continued)

SFRS(I) 18: Presentation and Disclosure in Financial Statements (continued)

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

Effective date: to be determined*

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore ("ASC") in December 2015 via Amendments to Effective Date of Amendments to SFRS(I) 10 and SFRS(I) 1-28.

36 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Pavillon Holdings Ltd. on 2 April 2026.

CORPORATE GOVERNANCE REPORT

The Board of Directors of Pavillon Holdings Ltd. (the “**Company**”) recognises the importance of and is committed to maintain high standard of corporate governance within the Company and its subsidiaries (the “**Group**”). The Company strives to enhance the interests of the shareholders of the Company (the “**Shareholders**”) and maintain an ethical environment in the Group.

This report describes the Company’s corporate governance framework and practices that the Company had adopted, for the financial year ended 31 December 2025 (“**FY2025**”), with specific reference made to the principles and provisions as set out in the Code of Corporate Governance 2018 (the “**Code**”) and accompanying Practice Guidance, issued by the Corporate Governance Council on 6 August 2018 and adopted by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

1. BOARD MATTERS

The Board’s conduct of affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1: Principal functions of the Board

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company. Directors who face conflicts of interest are to disclose their interests and voluntarily recuse themselves from discussions and decisions involving the issues of conflict.

A brief profile of each Director is set out under Board of Directors section of this Annual Report. Apart from its statutory duties and responsibilities, the Board oversees management of the Company (the “**Management**”) and affairs of the Group and approves the Group’s corporate and strategic policies and direction. The Board considers the sustainability issues including environmental and social factors in the formulation of the Group’s strategies. The Board is also responsible for implementing policies in relation to financial matters, which include compliance, risk management, and internal controls to safeguard the shareholders’ interest and the Company’s assets.

The Board reviews the financial performance of the Group, approves investment proposals, and approves the nomination of Directors to the Board, as well as the appointment of key management personnel.

All Directors have objectively discharged their duties and responsibilities at all times as fiduciaries in the best interests of the Company for the financial year ended 31 December 2025.

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Provision 1.2: Directors' orientation and training

Newly appointed Director will undergo an orientation briefing to be familiar with the Group's business strategies, organisational structure and operations. Depending on specific requirements, new Directors may be sent for trainings and/or seminars to acquaint them on director's duties and compliance with the relevant bodies of law and regulations in the performance of their duties. The costs of arranging and funding the trainings of the Directors will be borne by the Company.

Directors are encouraged to attend programmes organised by the Accounting and Corporate Regulatory Authority and the Singapore Institute of Directors.

The Directors have understanding of the Company's business operations and operating environment, through the half yearly Board meetings in FY2025, enabling them to discharge their roles and responsibilities effectively as Directors of the Company.

There was no new director appointed in FY2025.

Provision 1.3: Matters requiring Board's approval

The Board has a matrix of approval which sets out the approval limits of the Management and matters that specifically require Board's guidance. The Board's approval is required for matters include, but are not limited to such matters as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, acceptances of bank facilities, annual budget, proposal of dividends, approval of Statement by Directors and audited financial statements, the release of the Group's half-yearly financial updates and full-year financial results and other significant corporate actions and interested person transactions, save for Mr Ding Furu who had recused from discussions and decisions on matters relating to interested person transactions with Fengchi IOT Management Co., Ltd.. Please refer to the section on Interested Person Transactions in this Corporate Governance Report. The Board communicates matrix of approval with the Management, and it is updated as the business grows.

Matters which are specifically reserved to the Board for decision and approval and communicated in writing to the Management.

Provision 1.4: Delegation by the Board

The Board has delegated specific authority to various Board Committees, namely, the Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"), which would make recommendations to the Board. Names of the members and summary of activities of each Board Committee are set out in this report.

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Each of the Committees has written terms of reference with authority to examine particular issues and report to the Board with their recommendations. The responsibilities and authority of the Committees set out in their respective terms of reference are in line with the 2018 Code. The effectiveness of each Board Committee is constantly reviewed by the Board. The ultimate responsibility for final decision on all matters lies with the Board.

Provision 1.5: Board meetings, attendance and multiple commitments

The Board meets at least once every half-year to discuss and review the strategic policies of the Group, significant business transactions, performance of the business and to approve the release of the half-year and full year results. Ad-hoc meetings are convened as and when warranted by particular circumstances. In addition to physical meetings, the Company's Constitution allows Board meetings to be conducted by way of telephone conference, provided that the requisite quorum of at least two (2) Directors is present. Apart from Board meetings, important or urgent matters concerning the Group are also presented for the Board's approval by way of written resolutions, electronic mail and telephone conference. Board and Board Committee meetings are scheduled at the beginning of the year.

In order to keep Directors abreast of the Group's operations, the Directors are updated on initiatives and developments on the Group's business as soon as practicable and during Board meetings. Management provided the Board with management accounts on a half-yearly basis, as well as relevant background information and documents relating to items of business to be discussed at a Board meeting before the scheduled meeting. Sufficient time is allocated at Board meetings for Management to address any queries from Directors so as to enable meaningful discussions and deliberations.

Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the executive Management are fully discussed and take account of the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business.

The Board held various meetings and the attendance of each Director at every Board and Board Committee meeting in FY2025 are append below:

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	Board		Audit and Risk Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Fan Bin (Executive Chairman)	2	2	2 ⁽¹⁾	2 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Francis Lee Fook Wah (Lead Independent Director)	2	2	2	2	1	1	1	1
Kong Weili (Independent Director)	2	2	2	2	1	1	1	1
Ding Furu (Non-Executive Non-Independent Director)	2	2	2	2	1	1	1	1
Bai Yun ⁽²⁾ (Executive Director)	1	1	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾

(1) Attended the meetings as an invitee

(2) Ms Bai Yun has resigned as a Director of the Company effective from 28 February 2026.

The Board is satisfied that the Directors have devoted sufficient time and attention to the affairs of the Company. Directors attended all meetings held during the year. The Board also communicates from time to time through informal meetings and telephone conferences to discuss the Group's strategies and businesses. Although some of the Directors have multiple board representations, the Board is of the view that they widen the experience of the Board and give it a broader perspective.

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Provision 1.6: Access to information

The Directors are briefed on the strategic plans and objectives from time to time as well as receive complete and regular supply of information from the Management about the Group's financial and operational performance. From time to time, the Directors also receive further relevant information via email, particularly on applicable new laws, regulations and changing commercial risks which are relevant to the business and operations of the Group.

Detailed Board papers and related materials will be prepared for each meeting of the Board and Board Committees. The meeting papers include sufficient information and background relating to business environment, industry, financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. The Directors are given Board papers in advance of meetings for them to be adequately prepared for the meeting and key management personnel (who are not executive directors) are in attendance at Board and Board Committee meetings, whenever necessary. This enables the Board to make informed assessments of the Company's performance and prospects and allow effective decision-making and oversight.

Provision 1.7: Access to Management, Company Secretary and External Advisers

A calendar of meetings is scheduled for the Board at the beginning of the year. All Directors have unrestricted access to the Group's records and information.

All Directors have separate and independent access to the Management and Company Secretary. Requests for information are dealt with promptly by Management. The Company Secretary and/or her representative(s) attend all Board Committees and Board meetings. The Company Secretary's responsibilities are to administer, attend and prepare minutes of Board and Board Committee meetings, advising the Board on all governance matters and assists the Chairman in ensuring Board and Board Committees' procedures are followed and reviewed so that the Board functions effectively, the relevant rules and regulations, including requirements of the Companies Act 1967 (the "**Act**") and the Listing Manual of the SGX-ST ("**Listing Manual**") are complied with, and provides the Board with regular updates of the latest governance and listing policies. The appointment and the removal of the Company Secretary are decisions taken by the Board as a whole.

Should the Directors, either individually or as a group, need independent professional advice in the furtherance of their duties, the Company will, upon direction by the Board, appoint a professional advisor to render the advice, and the costs of such professional fees will be borne by the Company.

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Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1: Board Independence

Provision 2.2: Majority Independent Directors where Chairman is not independent

Provision 2.3: Majority Non-Executive Directors in a Board

At the end of FY2025, the Board comprises two (2) Executive Directors, two (2) Independent Directors and one (1) Non-Executive Non-Independent Directors. As at the date of this report, the Board comprises one (1) Executive Director, two (2) Independent Directors and one (1) Non-Executive Non-Independent Directors. Independent Directors make up at least one-third of the Board. Although Independent Directors did not make up a majority of the Board, where the Chairman is not independent, the Board has diversity of thought and background in its composition with Independent Directors exercising oversight function and leading discussions to form decisions in the best interests of the Company. The Board is of the view that the Group's current size is relatively small and its operations not complex. The appointment of additional Independent Directors would also result in additional costs to the Group. Therefore, the Board opines that it is not necessary for Independent Directors to make up the majority of the Board.

Non-Executive Directors (including Independent Directors) make up a majority of the Board. As Non-Executive Directors are not employees of the Company and do not participate in the Company's day-to-day management, Non-Executive Directors are able to constructively challenge Management and help to set strategic direction, evaluate strategy and ensure strategies are aligned with long-term interests of shareholders, assess risks and review performance of Management in meeting the agreed objectives and monitoring the reporting of performance. Non-Executive Directors remain familiar and informed of the Company's activities.

Executive Directors are deeply involved in setting the Company's strategy, vision and goals by implementing actionable plans to be aligned with long-term strategy and market trends. They play a critical role to ensure the Company meets its financial targets, protect and enhance the best interests of shareholders with returns or benefits for shareholders. In addition to financial goals, Executive Directors have to identify, assess and manage risks that could impact operations as well as ensure compliance with applicable laws and regulations.

The Board believes the current Board composition drives performance, create shareholder value and maintain a proper tone at the top. There are sufficient independent elements and adequate safeguards without undue influence, from the Executive Directors, to allow for effective Board oversight. The Board was

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not aware of any difficulty in reaching consensus and making timely decisions with Independent Directors make up at least one-third of the Board where the Chairman is not independent. The continued services of current size of the Board are crucial and critical as its valuable experience and expertise contribute to the Group's decision-making process. The current Board composition has contributed significantly in terms of experience, expertise, professionalism, integrity, objectivity and independent judgment in engaging and challenging Management to the best interests of the Group as it performs its duties in good faith, which by means are more prudent measures than having majority independence of the Board size. Given the dynamic business nature of the Group which constantly render uncertain situations and new external challenges, preserving the Board would avoid undue disruption and help to maintain knowledge and continuity in the Board. It is therefore more important to harness the relevant expertise of the Executive Directors to tide through this period as opposed to reconstituting the Board to comply with the 2018 Code.

The Board exercises objective and independent judgement on the Group's corporate affairs. No individual or group of individuals dominates the Board's decision-making process.

The independence of each Director is reviewed annually by the NC. In its deliberation as to the independence of a Director, the NC adopts the definition in the Code and Listing Manual of what constitutes an Independent Director in its review and considered whether a Director had business relationship with the Group, its related corporations, its substantial shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interest of the Company and Group.

According to the Code and Listing Manual, an independent director represents the minority shareholders and he is independent in conduct, character and able to exercise independent business judgement in the best interests of the Company and has no relationships with the Company, related corporations, its substantial shareholders or its officers. A Director will not be independent if he is employed by the Company or any of its related corporations for the current or any of the past 3 financial years or if he has any immediate family member who is employed by the Company or any of its related corporations for the past 3 financial years and whose remuneration is determined by the RC or has been a director for an aggregate period of more than nine years (whether before or after listing) which such director may continue to be considered independent until the conclusion of the next annual general meeting. Apart from receiving Director's fees, they do not have any other material pecuniary relationship or transactions with companies within the Group or the management, which in the judgement of the Board may affect their independence of judgement.

The Board is able to exercise independent judgement on corporate affairs and provide management with a diverse and objective perspective on issues. The Independent Directors have confirmed that they do not have any relationship with the Group, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Group.

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Provision 2.4: Board composition and diversity

As at FY2025, the Board of Directors (the “**Board**”) comprises the following members:

Fan Bin	– Executive Chairman
Francis Lee Fook Wah	– Lead Independent Director
Kong Weili	– Independent Director
Ding Furu	– Non-Executive Non-Independent Director
Bai Yun	– Executive Director (Resigned on 28 February 2026)

The NC reviews the size of the Board on an annual basis and ensure that the Board and Board Committees have the appropriate mix of expertise and experience and collectively possess the necessary core competence in business, investment, audit, accounting and tax matters for effective functioning and informed decision-making. The Board has an effective blend of skills, expertise and knowledge and other aspects of diversity such as gender and age.

The Board has adopted a Board Diversity Policy and works towards implementing the objectives of a diverse Board to enhance its performance and work towards its long-term objectives. A diverse Board will enhance the decision-making process of the Board through perspectives derived from the various skills, industry and business experiences, gender, age, geographical and other distinctive qualities of the Directors.

The Company has operations in Singapore and China. Geographical diversity for Board members is important allowing the Board to understand and manage risks and opportunities effectively. Geographical diversity for Board members in the country with operations allows the Board to understand and manage risks and opportunities effectively. The Board has reached the target of having at least one director with experience in the key markets which the Group operates. Our current Board of Directors have working experiences in the key markets.

The Board comprises Directors with diverse range of skills and knowledge with experiences in different industry brings depth to Board discussion which eventually forms corporate strategy for the Company. The Board comprises Directors who come from various professions. These include accounting or finance, business and management experience. Specific expertise and experience of Directors are set out in the Board of Directors section of this Annual Report. The Company has at least one director with oversight and operational experience in the areas that are relevant to the Group.

The Board agreed the importance of gender and age diversity to have business decisions that reflect a wide range of perspectives to form strategic direction in today’s diverse and rapidly changing world. With guiding principles for inclusivity, merit-based and transparency, the goals over time is to consider and achieve diversity such as gender, skills and business experiences and other distinctive qualities of the Directors.

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With the resignation of Ms Bai Yun effective from 28 February 2026, the NC will intentionally include female candidates in the search for board candidate and is committed to advance female candidates who meet the required skills and experiences for appointment as a Director, final selection will be made in a fair and non-discriminatory manner.

The NC has not recommended any measurable quantitative objectives in relation to diversity to be adopted at this juncture. The NC will continue review the Board Diversity Policy from time to time and may recommend changes or additional targets to achieve greater diversity, to ensure the effectiveness of this policy.

Provision 2.5: Meeting of Non-Executive Directors and/or Independent Directors without Management

The Non-Executive Directors constructively challenge and assist in the development of proposals on strategy, and review the performance of Management on a regular basis. The Non-Executive Directors, led by the Lead Independent Director, meet without the Management present at least once a year to review the performance of the Management, especially relating to the progress of achieving agreed goals and objectives and monitor the reporting of performance to the Board. The Lead Independent Director provides feedback to the Chairman after each such meeting.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1: Separation of the role of the Chairman and the CEO

Provision 3.2: Role of the Chairman and the CEO

As at end of FY2025, Mr Fan Bin is the Executive Chairman of the Company and he is not an Independent Director. Mr Fan Bin oversees the business direction, long term strategic planning and the overall management and operations of the Group. There is no Chief Executive Officer (“**CEO**”) in the Company. Our business and operations are presently under the Management and close supervision of Mr Fan Bin and supported by the Executive Director and assisted by a team of Key Management Personnel. The Executive Director and Key Management Personnel are responsible for the Company’s corporate and business strategies and polices, and the conduct of the Group’s businesses.

The Executive Chairman leads the Board and is responsible for the effective working of the Board including:

- scheduling of meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties while not interfering with the flow of the Group’s operations;
- preparing the meeting agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- ensuring that Board meetings are held when necessary;
- promoting a culture of openness and debate at the Board;

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- facilitating contributions from the Non-Executive Directors and encouraging constructive relationships within the Board and Management;
- exercising control over the quality, quantity and timeliness of information flow to the Board, ensuring effective communication with the Company's shareholders;
- ensuring, fostering constructive and effective communication with shareholders;
- facilitating the effective contribution of Non-Executive Directors in particular; and
- encouraging high standards of corporate governance.

All major decisions made by the Executive Chairman is reviewed by the respective Board Committees. The Board is of the view that this arrangement supports the accountability and capacity of the Board for independent decision making. The Company believes that there is a good balance of power and authority within the Board and no individual or small group can dominate the Board's decision-making process.

The Board keeps this situation under regular review and will make suitable recommendations should the circumstances.

Provision 3.3: Lead Independent Director

The Board has appointed Mr Francis Lee Fook Wah as the Lead Independent Director of the Company, who will be available to shareholders who have concerns and for which contact through the normal channels of communication with the Chairman or Management has failed to resolve or is inappropriate or inadequate. The Lead Independent Director also provides leadership in situation where the Chairman or Director is conflicted.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2: Roles and composition of the NC

The terms of reference of the NC provide that the NC shall comprise at least three Directors, the majority of whom, including the NC Chairman, shall be independent, and the Lead Independent Director, shall be a member. As at date of this report, the three (3) members of the NC are Mr Francis Lee Fook Wah (Chairman), Mr Ding Furu and Mr Kong Weili. The NC is chaired by Mr Francis Lee Fook Wah, who is also the Lead Independent Director.

The NC is regulated by a set of written terms of reference endorsed by the Board, setting out their duties and responsibilities. The objective of the NC is to maintain an effective Board and to ensure that only competent individuals capable of contributing to the success of the Company are appointed. According to the terms of reference of the NC, the members of the NC perform the following functions:

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- (a) reviewing and making recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board;
- (b) reviewing the Board structure, size and composition having regards to the scope and nature of the operations and the core competencies of the Directors as a group, and making recommendations to the Board with regards to any adjustments that are deemed necessary;
- (c) reviewing, assessing and recommending nominee(s) or candidate(s) for appointment or election to the Board, having regards to his/her qualifications, competency, other principal commitments and whether or not he/she is independent and in the case of a re-nomination, to his/her performance and contribution;
- (d) reviewing Board succession plans for Directors, in particular for the Executive Chairman and CEO/ Managing Director and the progressive renewal of the Board;
- (e) annually, determining whether or not a Director is independent (taking into account the circumstances set out in the Code and other salient factors);
- (f) identifying and recommending the Directors who are retiring by rotation and to be put forward for re-election at each annual general meeting ("**AGM**");
- (g) developing a process for evaluation of the performance of the Board, its Board Committees and proposing objective performance criteria to enhance long-term shareholder value; and
- (h) reviewing training and professional development programs for the Board.

Summary of NC activities in 2025 as set out below:

- Reviewed structure, size and composition of the Board and Board Committees
- Reviewed independence of Directors.
- Reviewed and initiate process for evaluating Board, Board Committees and Chairman.
- Reviewed results of performance evaluation and feedback to the Chairman and Board Committees.
- Reviewed the need to progressive refreshing of the Board
- Considered recommendations for new Director, review their qualifications and meet with such candidates, before a decision is made on a selection.
- Reviewed succession planning for Chairman and key management personnel and notified the Board.
- Discussed information required to be reported under the 2018 Code or Listing Manual.

There is no alternate Director on the Board.

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Provision 4.3: Board Renewal

The NC reviews and makes recommendations to the Board on all nominations for appointments and re-appointments of Directors and Board Committees members having regard to their independence, qualifications, performance and contributions. The NC reviews and assesses candidates for directorships before making recommendations to the Board. In recommending new Directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities, the current composition and size of the Board, and strives to ensure that the Board, as a whole, possesses the core competencies required by the Code. When a potential candidate is proposed, the NC will interview the candidate and make its recommendation to the Board. A new Director can be appointed by way of a Board resolution, after the recommendation by the NC. A Director appointed by the Board will retire at the AGM following his appointment and is eligible for re-election at the AGM. In view of the foregoing, the Board is of the view that there are adequate processes for the appointment and re-appointment of Directors.

All Directors have to submit themselves for re-nomination/re-election at regular intervals or at least once every three years in accordance with the Company's Constitution. Pursuant to Regulation 117 of the Company's Constitution, Mr Francis Lee Fook Wah and Mr Fan Bin are due for retirement by rotation at the forthcoming AGM. The NC has recommended to the Board for the re-election of Mr Francis Lee Fook Wah and Mr Fan Bin. In reviewing the nomination of director for re-election at the forthcoming AGM, the NC has considered criteria such as the Director's contribution, participation, preparedness and attendance as well as skills and expertise relevant to the Company's needs. Mr Francis Lee Fook Wah and Mr Fan Bin respectively had consented to continue in office and the Board had accepted the recommendation of the NC and accordingly, Mr Francis Lee Fook Wah and Mr Fan Bin consented for re-election at the forthcoming AGM.

Each member of the NC had abstained from voting on any resolution and making any recommendation and/or participate in respect of his re-election, if any, as Director.

Provision 4.4: Independence review of Directors

The NC affirmed that Mr Francis Lee Fook Wah and Mr Kong Weili are independent. Each Independent Director has abstained from deliberating in respect of their independence status respectively. The Board, taking into account the nature of operations of the Company and the recommendation of the NC, considers Mr Francis Lee Fook Wah and Mr Kong Weili to be independent in character and judgement and of sufficient caliber and their views to be of sufficient weight. The Independent Directors have no financial or contractual interests in the Group other than by way of their fees as set out in the financial statements; do not have any relationship with the Company, related corporations, its substantial shareholders or officers; and not employees of any company within the Group.

No Director is involved in the deliberation in respect of his/her own independence.

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Provision 4.5: Directors' time commitments and multiple Directorships

The NC ensures that all newly-appointed Directors are aware of their duties and obligations. The Board has not determined the maximum number of listed company board representation which any Director may hold. The NC and the Board are of the view that the Directors with multiple board representations were able to and have been adequately carrying out their duties as a Director of the Company, devoted sufficient time and attention to the Group's affairs and do not hinder them from carrying out their duties as Directors. These Directors would widen the experience of the Board and give it a broader perspective.

Key information regarding the directors of the Company as at the date of this report are as follows:

Name of Director	Francis Lee Fook Wah
Age	60
Country of principal residence	Singapore
Date of first appointment as director	6 May 2022
Date of last re-election as director	26 April 2024
The Board's comments on the re-election	The Board of Directors of the Company had accepted and approved the NC's recommendation, who has reviewed and considered Mr Francis Lee's contribution and performance as Independent Director of the Company.
Job Title	Lead Independent Director, Chairman of the Remuneration Committee and Nominating Committee and a member of the Audit and Risk Committee
Board Committees Served	Chairman of the Remuneration Committee and Nominating Committee and a Member of the Audit and Risk Committee
Professional qualifications	Mr Lee graduated from the National University of Singapore with a Bachelor's degree in Accountancy and obtained a Master's degree in Business Administration (Investment and Finance) from the University of Hull, UK. Mr Lee is a Chartered Accountant and a Non-Practising member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors.

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<p>Shareholding in the Company and its subsidiaries</p>	<p><u>The Company</u> Nil</p> <p><u>Subsidiaries of the Group</u> Nil</p>
<p>Principal Commitments including Directorships</p>	<p><u>Past Directorships</u></p> <ol style="list-style-type: none"> 1) Sheng Siong Group Ltd 2) JES International Holdings Limited 3) Metech International Limited 4) Glory Capital Pte Ltd 5) Wise Alliance Investments Ltd 6) Lee Thong Hung Trading & Transport Sdn Bhd 7) Blackgold Megatrade Pte Ltd 8) Tengda Industrial Property (Suzhou) Co Ltd 9) Freight Links Co Ltd 10) Fervent Industrial Development (Ningbo) Co Ltd 11) Fervent III Developments Pte Ltd 12) Freight Links M&S (H.K.) Ltd 13) Net Pacific Financial Holdings Ltd 14) Asiaphos Ltd 15) Vibrant DB2 Pte Ltd 16) Figtree Holdings Limited <p><u>Present Directorships</u></p> <ol style="list-style-type: none"> 1) Vibrant Group Limited 2) Joyas International Holdings Limited 3) Singapore Enterprises Private Limited 4) Freight Links Express Logisticpark Pte Ltd 5) Freight Links Express Pte Ltd 6) Crystal Freight Services Pte Ltd 7) Freight Links Logistics Pte Ltd 8) Freight Links Express Logisticentre Pte Ltd 9) Hub & Port Services Pte Ltd 10) Freight Links E-Logistics Technopark Pte Ltd 11) Crystal Freight Services Distripark Pte Ltd 12) Freight Links Properties Pte Ltd 13) LTH Logistics (Singapore) Pte Ltd 14) Ececil Pte Ltd 15) Sentosa Capital Pte Ltd 16) Celestine Management Private Limited 17) Vibrant Properties Pte Ltd 18) Shentoncil Pte Ltd

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	<p>19) Inspirion Digitech Pte Ltd (Formerly known as Vibrant Megatrade Pte Ltd)</p> <p>20) Vibrant Pucheng Pte Ltd</p> <p>21) Vibrant Pucheng Investment Pte Ltd</p> <p>22) Vibrant Land Pte Ltd</p> <p>23) Fervent IV Development Pte Ltd</p> <p>24) Fervent V Development Pte Ltd</p> <p>25) Sinolink Financial Leasing Co., Ltd</p> <p>26) Sinolink Finance International Limited</p> <p>27) Fervent Industrial Development (Suzhou) Co., Ltd</p> <p>28) Fervent Logistics Infrastructure (Changzhou) Co., Ltd</p> <p>29) Saujana Tiasa Sdn Bhd</p> <p>30) Vibrant Pucheng Logistics (Chongqing) Co., Ltd</p> <p>31) Vibrant Pucheng Property Management (Chongqing) Co., Ltd</p> <p>32) Vibrant Pucheng Enterprise Management (Chongqing) Co., Ltd</p> <p>33) Vibrant International Freight Forwarding (Chongqing) Co., Ltd</p> <p>34) Freight Links Express International Co., Ltd</p> <p>35) Vibrant Suzhou Energy Technology Co., Ltd</p> <p>36) FM Global Logistics Holdings Berhad</p> <p>37) Freight Links Express (Thailand) Co., Ltd</p> <p>38) Vibrant Investment & Management (Shanghai) Co., Ltd</p> <p>39) New Vibrant (Jiangsu) Supply Chain Management Co., Ltd (Formerly known as Sanlu Logistics Co., Ltd)</p> <p><u>Other Principal Commitments</u> Chief Financial Officer and Executive Director of Vibrant Group Limited</p>
<p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</p>	<p>None</p>
<p>Conflict of Interest (including any competing business)</p>	<p>None</p>

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Name of Director	Kong Weili
Age	59
Country of principal residence	Singapore
Date of first appointment as director	22 June 2022
Date of last re-election as director	28 April 2025
The Board's comments on the re-election	Not Applicable, Mr Kong Weili is not due for re-election
Job Title	Independent Director, Chairman of the Audit and Risk Committee and a member of the Nominating Committee and Remuneration Committee
Board Committees Served	Chairman of the Audit and Risk Committee Member of the Nominating Committee and Remuneration Committee
Professional qualifications	Mr Kong is a fellow member of the Institute of Singapore Chartered Accountants and CPA Australia. He is also a member of the Singapore Institute of Directors.
Shareholding in the Company and its subsidiaries (as at 13 March 2023)	<u>The Company</u> Nil <u>Subsidiaries of the Group</u> Nil
Principal Commitments including Directorships	<u>Past Directorships</u> PSC Corporation Ltd (f.k.a Hanwell Holdings Ltd) <u>Present Directorships</u> Tat Seng Packaging Group Ltd <u>Other Principal Commitments</u> Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of Interest (including any competing business)	None

CORPORATE GOVERNANCE REPORT

Name of Director	Ding Furu
Age	64
Country of principal residence	Singapore
Date of first appointment as director	4 November 2022
Date of last re-election as director	28 April 2025
The Board's comments on the re-election	Not Applicable, Mr Ding is not due for re-election
Job Title	Non-Executive Non-Independent Director and a member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee
Board Committees Served	Member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee
Professional qualifications	
Shareholding in the Company and its subsidiaries	<p><u>The Company</u> 1,047,408,760 Shares</p> <p>Mr Ding is deemed to be interested in 190,200 Shares held by UOB Kay Hian Pte Ltd as the beneficial owner and 1,047,218,560 Shares held by New Development Hotel Management Pte Ltd of which Mr Ding is the sole director and shareholder.</p> <p><u>Subsidiaries of the Group</u> Nil</p>
Principal Commitments including Directorships	<p><u>Past Directorships</u></p> <ol style="list-style-type: none"> 1) Shanghai Jinfeng Public Transportation Co. , Ltd. 2) Shanghai Fengxian District Donghui Automobile Passenger Transportation Co. , Ltd. 3) Shanghai Longyu Property Co. , Ltd. 4) Shanghai Petrochemical New Development Commercial Building Co. , Ltd. 5) Shanghai Jinshan New Development Real Estate Development Co. , Ltd. 6) Shanghai Aibo Grado Labs Wood Co. , Ltd. 7) Shanghai Sinp'O Property Management Co. , Ltd. 8) Shanghai Tianyou Equity Investment Management Co., Ltd.

CORPORATE GOVERNANCE REPORT

	<p>9) Shanghai Punan Public Transportation Co. , Ltd. 10) Shanghai Fengxian District Metro Auto Sales Co. , Ltd. 11) Shanghai Fengxian Zhugang Investment Development Co. , Ltd. 12) Shanghai Volkswagen New Development Property Investment Co. , Ltd. 13) Shanghai Sofia Health Products Co. , Ltd. 14) Shanghai Zhangsheng Construction Engineering Co. , Ltd. 15) Shanghai New Development Trading Co. , Ltd. 16) Shanghai Kolio Investment Management Consulting Co. , Ltd. 17) Shanghai new development fire-proof Building Materials Co. , Ltd. 18) Karen finance leasing (Shanghai) Co. , Ltd. 19) Honi Honi (Shanghai) Nutritional Food Co. , Ltd. 20) Walcom Pte Ltd 21) Harcourts (China) Holdings Pte. Ltd. 22) Shanghai Jinhui Yacht City Construction and Development Co., Ltd. 23) Fengchi IOT MAnagement Co., Ltd 24) OneOne Health Group Limited 25) Value Vantage Pte Ltd 26) Credit & Cooperation Singapore Pte. Ltd. 27) Tian Xin Ji Tuan (S) Pte. Ltd. 28) Vohringer Home Technology Co., Ltd.</p> <p><u>Present Directorships</u></p> <p>1) Guangxi Bama Boquan Natural Mineral Water Co., Ltd. 2) Shanghai Xinfazhan Shengtaosha Hotel Co.,Ltd. 3) Shanghai Linhai Industrial Development Zone Co.,Ltd. 4) Shanghai Nanqiao Passenger Transportation Bus Station Co.,Ltd. 5) Shanghai Yimao Environment Technology Co., Ltd. 6) Shanghai Xinfazhan Real Estate Development Co.,Ltd. 7) Shanghai New Development Enterprise Management Co.,Ltd. 8) Shanghai New Development Decoration Co.,Ltd. 9) Shanghai Xinfazhan Hotel Co.,Ltd. 10) Shanghai New Development Hotel Management Co.,Ltd. 11) Guangxi Bama Li Quan Beverage Co.,Ltd.</p>
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CORPORATE GOVERNANCE REPORT

	<p>12) Shanghai Suang Biotechnology Co.,Ltd. 13) Asia Pacific Group International Limited 14) China Xin Fa Zhan Group Limited 15) HongKong Fumao Investment Co., Limited 16) HongKong Shenmao Investment Co., Limited 17) Zhong Xin Investments Limited 18) Glad Rise Investments Limited 19) Cleor Company Limited 20) HongKong New Development Capital Investment Co., Limited 21) Sheng Shi Chuan Qi (HongKong) Co., Limited (f.k.a. Esupply Global Ecommerce Technology Co., Limited) 22) NDG Asia Pacific NZ Limited 23) Asia Pacific International Group New Zealand Limited 24) Top Fortune Investment Limited 25) Esupply Global Ecommerce Technology NZ Limited 26) NDG Asia Pacific Guam Inc. 27) Macao Sheng Shi Zhong Guo Tobacco Factory Co., Ltd. 28) Shengshi China Tobacco International group Macau Co., Ltd. 29) Asia Pacific Group (S) Pte. Ltd. 30) Massdam Oversea Venture Pte. Ltd. 31) New Development Hotel Management Pte. Ltd. 32) China Xin Fa Zhan Ji Tuan (S) Pte. Ltd. 33) Health & Longevity TCM Pte. Ltd. 34) New Development Investment I Pte. Ltd. 35) New Development Investment II Pte. Ltd. 36) New Development Investment III Pte. Ltd. 37) New Development Asset Management Pte. Ltd. 38) New Development Capital SG Pte. Ltd. 39) New Development Holding SG Pte. Ltd. 40) New Development Trust Ltd.</p> <p><u>Other Principal Commitments</u> Nil</p>
<p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</p>	<p>Mr Ding was nominated by New Development Hotel Management Pte. Ltd., subscriber of the Company.</p> <p>Mr Ding is the sole shareholder and director of New Development Hotel Management Pte. Ltd.</p>
<p>Conflict of Interest (including any competing business)</p>	<p>None</p>

CORPORATE GOVERNANCE REPORT

Name of Director	Fan Bin
Age	48
Country of principal residence	Singapore
Date of first appointment as director	4 November 2022
Date of last re-election as director	27 April 2023
The Board's comments on the re-election	The Board of Directors of the Company had accepted and approved the NC's recommendation, who has reviewed and considered Mr Fan's contribution and performance as Executive Chairman of the Company.
Job Title	Executive Chairman
Board Committees Served	Nil
Professional qualifications	<p>Mr Fan Bin holds a Master's degree in accounting from Shanghai University of Finance and Economics and Bachelor's degree in management from Shanghai University of Finance and Economics.</p> <p>Mr Fan Bin is a member of the Public Accountants and a certified public accountant (CPA), a certified tax accountant (CTA) certified by the China Certified Tax Agenets Association and accountant certified by the Ministry of Finance of the People's Republic of China. He is also a member of the Singapore Institute of Directors.</p>
Shareholding in the Company and its subsidiaries (as at 13 March 2023)	<p><u>The Company</u> Nil</p> <p><u>Subsidiaries of the Group</u> Nil</p>
Principal Commitments including Directorships	<p><u>Past Directorships</u> Vohringer Home Technology Co., Ltd.</p> <p><u>Present Directorships</u></p> <ol style="list-style-type: none"> 1) Fengchi IOT Management Co., Ltd. 2) New Development Properties Pte. Ltd. 3) Mist Valley Pte. Ltd. <p><u>Other Principal Commitments</u> Nil</p>

CORPORATE GOVERNANCE REPORT

<p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</p>	<p>Mr Fan Bin was nominated by New Development Hotel Management Ptd. Ltd., subscriber of the Company.</p>
<p>Conflict of Interest (including any competing business)</p>	<p>None</p>

Notes:

The Company had procured the undertaking of the Directors in the formal set out in Appendix 7.7 under Listing Rule 720(1) of the SGX-ST.

The Directors who are subject to re-election had responded negative to items (a) to (k) listed in Appendix 7.4.1 (Announcement of Appointment) of the Listing Manual.

Board Performance

Principle 5: The Board undertakes a formal annual assessments of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 and 5.2: Board Evaluation Process

The Board performance is ultimately reflected in the performance of the Group. The Board should ensure compliance with the applicable laws and the Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders. An effective Board is able to lend support to management at all times and to steer the Group in the right direction.

The NC examines its size to satisfy that it is appropriate for, effective decision making, taking into account the nature and scope of the Company's operations. The NC and the Board are of the view that its current size meets the needs for quick and effective decision-making and their combined diversity and wealth of experience enable them to contribute positively to the strategic growth and governance of the Group.

For the financial year under review, the NC had evaluated the performance of the Board as a whole and its Board Committees as well as contribution of the Chairman. The assessment process adopted both quantitative and qualitative criteria, such as the outcome of the strategic and long-term objectives set by the Board and the effectiveness of the Board and Board Committees in monitoring Management's performance against the goals that had been set by the Board. The NC had decided that the Directors will not be evaluated individually but factors taken into consideration for the re-nomination are the extent of their attendance, participation and contribution in the proceedings of the meetings.

CORPORATE GOVERNANCE REPORT

Evaluation of the effectiveness of the Board and Board Committees, led by the NC, is conducted by means of a confidential questionnaire designed to assess the state of affairs of corporate governance matters in the Company. The questionnaire is completed by each Director to elicit his/her individual input. The Directors' inputs are collated by the Company Secretary and presented to the NC with comparatives from the last year's results (where applicable). Areas where the performance and effectiveness could be enhanced and recommendations for improvement are then submitted to the Board for discussion and implementation.

The NC had ascertained that the Board and Board Committees had contributed effectively and had demonstrated full commitment to their role. Each member of the NC abstains from deliberation on his performance or re-nomination as Director.

No external facilitator had been engaged by the Board during the year.

2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 and 6.2: Composition of the RC

Provision 6.3: Remuneration framework

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate directors and key management personnel.

The terms of reference of the RC provide that the RC shall comprise at least three Directors, the majority of whom, including the RC Chairman, shall be independent. As at date of this report, the RC comprises three (3) members, majority of whom are Independent Directors. The members are Mr Francis Lee Fook Wah, Mr Kong Weili and Mr Ding Furu. The Chairman of the RC is Mr Francis Lee Fook Wah who is also the Lead Independent Director.

The RC is regulated by a set of written terms of reference endorsed by the Board, setting out their duties and responsibilities. Amongst the terms of reference of the RC, the members of the RC perform the following functions:

CORPORATE GOVERNANCE REPORT

- (a) reviewing and recommending to the Board, a general framework of remuneration for the Board and key management personnel and the specific remuneration packages and terms of employment (where applicable) for each Director and key management personnel;
- (b) reviewing and recommending to the Board, share option scheme, share award plans or any long-term incentive schemes which may be set up from time to time, reviewing whether Directors or key management personnel should be eligible for such schemes and evaluating the costs and benefits of such scheme;
- (c) ensuring all aspects of remuneration including but not limited to Director's fees, salaries, allowances, bonuses, options, share based incentives and awards, and benefits-in-kind are covered;
- (d) determining the specific remuneration package and service contracts/terms of employment for each Director and key management personnel;
- (e) considering the eligibility of Directors for participation under long-term incentive schemes;
- (f) considering and making recommendations to the Board concerning the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration, and details of the specific remuneration packages of the Directors and key management personnel of the Company to those required by law or by the Code; and
- (g) considering the obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of services, to ensure that such contracts of services contain fair and reasonable termination clauses which are not overly onerous.

Each RC member abstained from deciding his own remuneration.

For FY2025, there were no termination, retirement and post-employment benefits granted to the Directors and key management personnel.

Provision 6.4: Remuneration consultant

In discharging RC's functions, the RC may obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice shall be borne by the Company.

No external remuneration consultant was used in FY2025.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1 and 7.3: Remuneration of Executive Directors and KMPs

Provision 7.2: Remuneration of Non-Executive Directors

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

The Company has entered into service agreements with each of its Executive Directors. According to the respective service agreements of the Executive Directors:

- (a) the term of service is for a period of three (3) years and is subject to review thereafter;
- (b) the remuneration includes, amongst others, a fixed salary, fees, a variable performance bonus, which is designed to align the Executive Directors' interests with that of the Shareholders; and
- (c) there are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the Executive Director.

The Independent and Non-Executive Directors do not have any service agreements with the Company and they receive Directors' fees, in accordance with their level of contributions, taking into account factors such as effort and time spent, and responsibilities of the Directors. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised. Save for Directors' fees, which have to be submitted for endorsement by the Board (with Non-Executive Directors abstained) and approved by the Shareholders at every AGM. Independent and Non-Executive Directors do not receive any remuneration from the Company.

The Company sets remuneration packages, which are competitive and sufficient to attract, retain and motivate Directors and key management personnel with adequate experience and expertise to manage the business and operations of the Group.

As recommended in the Code that provision be made in allowing the Company to reclaim incentive components of remuneration from the executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Company, the RC has taken steps to incorporate the claw back provision into their respective service agreements and employment contracts.

The Board is cognizant of the increasing responsibilities and risks associated with the role of Independent Directors whose remuneration has not change since appointment to the Board in 2022. Time commitment has increased to provide advisory services to Management as the Group navigate industry challenges and focus on cost efficiencies.

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Directors' fee amounting to S\$150,000.00 for the financial year ending 31 December 2026 have been proposed for payment in arrears. This recommendation has been endorsed by the Board and will be tabled at the forthcoming AGM for shareholders' approval.

Provision 7.3: Long Term incentives

The Company currently does not have any share option scheme or any long-term scheme in place as the Company believes "pay holds employees accountable" for improving shareholder value and drive productivity profit. The Company currently does not have any contractual provisions to allow the Company to reclaim incentive from executive Directors and key management personnel in exceptional cases of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

The RC believes the current remuneration is sufficient to attract, retain and motivate directors to provide good stewardship to the Company and key management personnel for long-term objectives and shareholders' value.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of the remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1: Disclosure of remuneration

The remuneration paid to the Directors for services rendered for FY2025 on an individual basis are as follows:

Directors

(000)	Salary		Fee		Bonus		Other benefits		Total	
	S\$	%	S\$	%	S\$	%	S\$	%	S\$	%
Directors										
Fan Bin	180	95	-	-	-	-	10	5	190	100
Francis Lee Fook Wah	-	-	50	100	-	-	-	-	50	100
Kong Weili	-	-	50	100	-	-	-	-	50	100
Ding Furu	-	-	50	100	-	-	-	-	50	100
Bai Yun*	180	95	-	-	-	-	10	5	190	100

*Ms Bai Yun resigned as Director effective from 28 February 2026.

CORPORATE GOVERNANCE REPORT

Key Management Personnel

The remuneration paid to key management personnel for services rendered for FY2025 are as follows:

	Salary	Fee	Bonus	Other benefits	Total
Key Management Personnel	%	%	%	%	%
Below S\$250,000					
Oh Kok Thai	88	-	-	12	100
Loh Beng Kiat	88	-	-	12	100
Hau Ee Boon	88	-	-	12	100

Pursuant to Rule 1207(10D) of the SGX Listing Rules, the Group had disclosed the Directors' remuneration in exact amounts and breakdown of remuneration paid to each individual director including key management personnel.

The Company is disclosing the remuneration of each key management personnel in bands of S\$250,000. The Group remunerates its key management personnel competitively. To secure the very best talented personnel especially in the competitive F&B business and due to the competitiveness for such talent, the Company is not disclosing the aggregate remuneration paid to the key management personnel of the Group in this report. The Board is of the view that aggregate remuneration of key management personnel is not in the best interest of the Company, considering the highly competitive F&B business and may adversely affect the Company's talent retention efforts, given the sensitive nature of the business for key talent. Talent and workforce matters have become even more important as the Board thinks strategically about talent.

Provision 8.2: Remuneration of related employees

There is no employee of the Group who is immediate family members of any Director or the CEO and whose remuneration exceeded S\$100,000 during FY2025.

Provision 8.3: Forms of remuneration and details of employee share schemes

The Company currently does not have any employee share option scheme.

Summary of RC activities in 2025 as set out below:

- Reviewed and approved fixed remuneration, total cash remuneration and total remuneration for executives.
- Reviewed remuneration packages of employees in the Group which includes salary adjustments and bonus
- Reviewed remuneration package of the Executive Chairman which includes salary and profit sharing bonus.

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3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1: Nature and extent of risks

The Board recognizes that it is responsible for the overall internal control framework and maintains a sound system of risk management and internal controls, but accepts that no cost effective internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The ARC will:

- satisfy itself that adequate measures are in place to identify and mitigate any material business risks associated with the Group;
- ensure that a review of the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls and risk management systems, is conducted at least annually. Such review can be carried out by internal auditors/independent auditors;
- ensure that the internal control and risk management systems recommendations made by internal auditor and independent auditor have been implemented by the Management; and
- ensure the Board is in a position to comment on the adequacy and effectiveness of the internal controls and risk management systems of the Group.

Together with the reports from the internal and independent auditors and management representation letters, the ARC also carries out assessment of the adequacy and effectiveness of key internal controls during the year. Any material non-compliance or weaknesses internal controls or recommendations from the internal auditor and independent auditor to further improve the internal controls and risk management systems were reported to the ARC. The ARC will also follow up on the actions taken by the Management on the recommendations made by the internal and independent auditors.

Based on the various management controls put in place and the reports from the internal and independent auditors, reviews and confirmations by the Management, the Board is satisfied that the system of internal controls addressing financial, operational, compliance and information technology controls, and risk management systems during the year are adequate and effective as at FY2025. The ARC concurred with the Board's comments on the adequacy and effectiveness of internal controls (including financial, operational, compliance and information technology) and risk management systems. The Management continues to focus on improving the standard of internal controls and corporate governance.

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Provision 9.2: Assurance from the CEO and CFO

The Board has received assurance from the Executive Chairman and Financial Controller that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology).

The Directors have received and considered the confirmations in accordance with Rule 705(5) of the Listing Manual from the Executive Chairman and the Financial Controller in relation to the financial information for the year.

Audit and Risk Committee

Principle 10: The Board has an ARC which discharges its duties objectively.

Provision 10.1, 10.2 and 10.3: Composition of the ARC

The terms of reference of the ARC provide that the ARC shall comprise at least three members, all of whom shall be Non-Executive Directors and a majority of whom, including the AC Chairman, shall be independent. The ARC comprises three (3) members, a majority are Independent Directors. The 3 members of the ARC are Mr Kong Weili, Mr Francis Lee Fook Wah and Mr Ding Furu. The Chairman of the ARC is Mr Kong Weili.

The Board is of the view that the members of the ARC including the ARC Chairman are appropriately qualified in that they have recent and relevant accounting or related financial management expertise and experiences to discharge the ARC's function and responsibilities.

The ARC comprises of members who have sufficient experience in finance, legal and business fields. None of the ARC members was a former partner or director of the Company's existing auditing firm, (a) within a period of two years commencing on the date of their ceasing to be a partner or director of the auditing firm; and (b) for as long as they have any financial interest in the auditing firm. The Board is of the view that the ARC has sufficient financial management expertise and experience to discharge the ARC's functions.

The ARC assists the Board in discharging their responsibility to safeguard the Group's assets, maintain adequate accounting records, oversight and monitoring whistleblowing and assists the Board to oversee the governance of risk including determine the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation and also oversee the Company's risk management framework and policies. In addition, the ARC reviews and reports to the Board at least annually the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls, and risk management systems to ensure that the Management maintains a sound system of risk management and internal controls.

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The ARC performs the functions specified by the Companies Act, the Listing Manual and the Code and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The ARC has adopted written terms of reference which includes governance of risk. According to the written terms of reference, the ARC has the authority to undertake such reviews and projects as it may consider appropriate in the discharge of its duties. The ARC has full access to and the co-operation of the Management. The ARC may invite any Director or key management personnel to attend its meetings and has reasonable resources to enable it to perform its functions. The internal and independent auditors have direct and unrestricted access to the Chairman of the ARC and the Chairman of the Board.

The terms of reference of the ARC will be reviewed if there be any change in the risk appetite taking into consideration sanctions-related risk. The Board and ARC will be responsible for (a) monitoring the issuer's risk of becoming subject to, or violating, any Sanctions Law; and (b) ensuring timely and accurate disclosures to SGX and other relevant authorities.

In FY2025, the ARC met at least twice a year and also held informal meetings and discussions with Management from time to time. Details of the members' attendance at ARC meetings in FY2025 are provided in Provision 1.5 of this corporate governance report.

The ARC performed the following functions in FY2025:

(a) Independent Auditors

In the course of their audit, the independent auditors have reviewed the financial controls in areas which could have a material impact on the financial statements with an aim to ensure that these are adequate for the financial statements' attestation purpose. They have reported their observations and made recommendations for improvement to the ARC. The ARC has also reviewed the report and ensures that Management has taken appropriate actions.

For FY2025, the ARC reviewed together with the auditors:

- (i) the audit plan (including, among others, the nature and scope of the audit before the audit commenced and the risk management systems issues of the Group);
- (ii) the evaluation of the financial controls in areas which could have a material impact on the financial statements;
- (iii) the auditors' report;
- (iv) the assistance given to them by the Company's officers;
- (v) the consolidated statement of financial position and income statement of the Company; and
- (vi) the interested person transactions of the Group.

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The ARC has reviewed the key audit matters disclosed in the independent auditors' report and is of the view that there is no material inconsistency between the audit procedures adopted by the independent auditors and the Management's assumptions and estimates and is satisfied that the key audit matters have been properly dealt with.

The ARC had reviewed the non-audit related work carried out by the external auditors, Messrs CLA Global TS Public Accounting Corporation, during the current financial year and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The ARC is satisfied that the Company's auditors are still able to meet the audit requirements and statutory obligation of the Company.

The ARC had evaluated the performance of the independent auditors based on the key indicators of audit quality set out in the Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors, such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group. The ARC had also evaluated the independent auditors based on the eight (8) Audit Quality Indicators at engagement and/or firm-level.

The ARC shall continue to monitor the scope and results of the independent audit, its cost effectiveness and the independence and objectivity of the independent auditors and give its recommendations to the Board and the Company regarding the appointment, re-appointment or removal of the independent auditors.

The Group has appointed Shanghai CLA Global TS Certified Public Accountants, which is the same member firm of the Company's independent auditors, CLA Global TS Public Accounting Corporation for its significant subsidiaries and associated companies in PRC. The Company confirmed that Rule 712, Rule 715 and Rule 716 of the Listing Manual have been complied with.

Accordingly, the ARC, with the concurrence of the Board, had recommended the re-appointment of Messrs CLA Global TS Public Accounting Corporation as the Company's external auditors at the forthcoming AGM.

Provision 10.4: Internal audit function

The Company has outsourced its internal audit function to Messrs Mazars LLP, who reports directly to the Chairman of the ARC. The AC reviews the audit plan of the internal auditors, ensures that adequate resources are directed to carry out those plans and will review the results of the internal auditors' examination of the Group's system of internal controls and risk management. The AC is satisfied that the internal audit function is adequately resourced after it has been outsourced to an auditing firm and has appropriate standing within the Company. The internal auditor has access to all records including access to the AC. The internal auditors reports directly to the Chairman of the AC. The AC reviews the adequacy and effectiveness of the internal audit function annually.

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The ARC has put in place a whistleblowing policy and procedures to provide employees with well-defined and accessible channels within the Group for reporting suspected fraud, corruption, dishonest practices, or similar matters or raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. The policy also included procedures for investigating whistleblowing reports made in good faith. The aim of the policy is to encourage the reporting of such matters in good faith and with confidence that employees making such reports will be treated fairly and to the extent possible, be protected against detrimental or unfair treatment. Identity of the whistleblower is kept confidential. Where appropriate, an independent third party may be appointed to assist in the investigation. The ARC recognized it is responsible for oversight and monitoring of whistleblowing.

In addition to the activities undertaken to fulfill its responsibilities, the ARC is kept abreast by the Management, external and independent auditors on changes of accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Provision 10.5: Meeting with external auditors and internal auditors

The ARC met once with the external auditors and internal auditors without the presence of Management in FY2025.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholders Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1, 11.2, 11.3 and 11.4: Conduct of general meetings

The Company treats all the Shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights. Furthermore, the Company continually reviews and updates such governance arrangement. Shareholders are informed of changes in the Company's businesses that are likely to materially affect the value of the Company's shares.

In line with the continuous obligations of the Company pursuant to the Listing Manual, the Board's policy is that all the Shareholders should be equally informed of all major developments impacting the Group.

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The Company recognises that effective communication can highlight transparency and enhance accountability to the Shareholders. The Company provides information to the Shareholders via SGXNet announcements and news releases. The Company ensures that price-sensitive information is publicly released, and is announced on an immediate basis where required under the SGX-ST's rules. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that the Shareholders and the public have fair access to the information.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released before the Company meets with any group of investors or analysts. Financial Results and Annual Report are announced and issued within the mandatory period. The Company does not employ any investor relations personnel; however, the Executive Directors and key management personnel are always available by email or telephone to answer questions from the Shareholders and the media as long as the information requested does not conflict with SGX-ST's rules of fair disclosure.

Presently, the Company does not have an investor policy or protocol in place nor a dedicated investor relations team. The Company will assess the need to establish an investor policy or protocol or investor relations team as and when it deems necessary.

All Directors, including the Chairman of the ARC, NC and RC will be present at the general meetings to address the Shareholders' queries. Independent Auditors will also be present at such meeting to assist the Directors to address any relevant queries from the Shareholders, if necessary.

Shareholders have the opportunity to participate effectively and to vote in general meetings either in person or by proxy. Resolutions on each distinct issue are tabled separately at general meetings. The Company has implemented the system of voting by poll on all resolutions tabled at its general meetings. Results of each resolution put to poll at the general meetings will be announced with details of percentages in favour and against. The Company's Constitution allows corporations and members of the Company to appoint one (1) or two (2) proxies to attend and vote at general meetings. A Relevant Intermediary¹ may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting. The independent auditors are also present to assist the Directors in addressing any relevant queries from the Shareholders.

¹ A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities And Futures Act (Cap. 289) and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

CORPORATE GOVERNANCE REPORT

Provision 11.5: Minutes of general meetings

Minutes of general meetings include substantial and relevant queries or comments from shareholders and responses from the Board and Management relating to the agenda of the meeting. These minutes would be available to shareholders upon their request. The Company had published minutes of the AGM via SGXNET on 23 May 2025.

Provision 11.6: Dividend policy

The Company currently does not have a dividend policy. The form, frequency and amount of dividend declared each year will take into consideration the Group's profit growth, cash position, positive cash flows generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1, 12.2 and 12.3: Shareholder engagement

The Company aims to engage in regular, effective and fair communication with shareholders, and be as descriptive, detailed and forthcoming as possible. The Annual Report and/or circular and Notice of AGM and/or Extraordinary General Meeting ("EGM") are made available to all shareholders and published on SGXNet. The notice is also advertised in the press and made available on the Company's website. At AGM/EGM, the Company encourages shareholders' participation effectively in and vote at general meetings and all the Shareholders are given the opportunity to voice their views and and to direct queries regarding the Group to Directors and Management.

5. MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1, 13.2 and 13.3: Stakeholder engagement

The Board identifies its key stakeholder groups and determines the Group's values and standards including ethical standards to ensure that obligations to its stakeholders are understood and met.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain and improve its level of corporate transparency of financial results and other pertinent information. Other than announcements made via SGXNet in accordance with the requirements of the Listing Manual, the Shareholders and Stakeholders can access more information of the Company and the Corporate Profile of the Company from the Company's website www.thaivillagerestaurant.com.sg.

The Company engages its stakeholders through different channels to establish, address and monitor the material environmental, social and governance (ESG) factors of the Company's operation and its impact on the various stakeholders. The Company engages stakeholders with the various channels that are already in place, to better understand its stakeholders' concerns, and address any issues that they may face. Engagement channels and frequencies are reviewed periodically to ensure that they are sufficient to deal with current identified stakeholders' ESG-related issues.

The Board also regards sustainability development as a core value of the Group and is committed to adopting sustainable practices across its businesses. The Sustainability Report FY2025 to keep stakeholders informed on the Group's business and operations will be made via SGXNET and published on the Company's website.

Dealings In Securities

The Company has complied with Rule 1207(19) of the Listing Manual in relation to the best practices on dealings in the securities:

- (a) The Company had devised and adopted its own internal compliance code to provide guidance to its officers with regards to dealings by the Company and its officers in its securities;
- (b) Officers of the Company are reminded not to deal in the Company's securities on short-term considerations; and
- (c) The Company and its officers must not deal in the Company's shares (i) during the periods commencing one (1) month before the announcement of the Company's half-year and full year financial statements, ending on the date of the announcement of the relevant results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

Directors and key management personnel are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

Material Contracts

(Listing Manual Rule 1207(8))

Other than disclosed in the audited financial statements and the service agreements between the Executive Directors and the Company, there was no material contracts to which the Company or any of its subsidiary is a party and which involve the Directors and controlling shareholders' interests subsisted at the end of FY2025, or have been entered into since the end of the previous year.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions

(Listing Manual Rule 907)

The Group is in compliance with the provisions of interested person transactions under the Listing Manual of the SGX-ST.

All interested person transactions (“**IPT**”) will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm’s length basis and on normal commercial terms and are not prejudicial to the interests of the Company.

Aggregate value of IPT entered from 1 January 2025 to 31 December 2025:

Transaction	Name of interested person	Nature of relationship	Aggregate value of transaction	Approval
For FY2025 accrual of interest amounts payable ⁽¹⁾ by Fengchi IOT Management Co., Ltd to the Company under the Existing RMB200 million Loan, as required by applicable accounting principles	Mr. Ding Fu Ru	Mr. Ding is the 100% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd and Shanghai Liuyu Information Technology Co. Ltd is the 51% shareholder of Fengchi IOT Management Co., Ltd. Fengchi IOT Management Co., Ltd is therefore an associate of Mr. Ding.	RMB 10.76 million (approximately SGD 1.97 million)	Shareholder’s approval was sought for the Existing RMB 200 million Loan under the Subscription Circular and obtained on 5 August 2022 7 August 2025, the Fengchi IOT Loan was extended for a further three (3) years to 12 August 2028.
For 2025 accrual of interest amounts payable by Fengchi IOT Management Co., Ltd to the associated company of Mr. Ding under the Short-Term Financing Loan, as required by applicable accounting principles	Mr. Ding Fu Ru	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd.	RMB 0.15 million (approximately SGD 0.03 million)	The Short-Term Financing Loan was entered into prior to Mr. Ding becoming a Controlling Shareholder of the Company

CORPORATE GOVERNANCE REPORT

Payment of rental amounts by Daju Logistics (TianJin) Co., Ltd to Fengchi IOT Management Co., Ltd under the Leases	Mr. Ding Fu Ru	Mr. Ding is the 100.0% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd and Shanghai Liuyu Information Technology Co. Ltd is the 51% shareholder of Fengchi IOT Management Co., Ltd. Fengchi IOT Management Co., Ltd is therefore an associate of Mr. Ding.	RMB 5.43 million (approximately SGD 0.99 million)(2)	Announced on 23 December 2025
For FY2025 Accrual of interest amounts payable ⁽¹⁾ by Fengchi IOT Management Co., Ltd to New Development under the RMB 300 million Loan (RMB 120.5 million drawn), as required by applicable accounting principles.	Mr. Ding Fu Ru		RMB 5.72 million (approximately SGD 1.05 million)	Shareholder's approval was sought for the Existing RMB 300 million Loan under the Subscription Circular and obtained on 13 August 2024.
Interest-free loan to Daju Logistics (TianJin) Co., Ltd from Shanghai Liuyu Information Technology Co. Ltd.	Mr. Ding Fu Ru	Mr. Ding is the 100% ultimate beneficial shareholder of Shanghai Liuyu Information Technology Co. Ltd Shanghai Liuyu Information Technology Co. Ltd is therefore an associate of Mr. Ding.	RMB 3.50 million (approximately SGD 0.64 million)	Note (3)

CORPORATE GOVERNANCE REPORT

<p>Loan principal amounts payable by Fengchi IOT Management Co., Ltd. to Shanghai Yiwen Information and Technology Co., Ltd.</p>	<p>Mr. Ding Fu Ru</p>	<p>Shanghai Yiwen Information and Technology Co., Ltd. is an indirect wholly-owned subsidiary of the Company. Mr. Ding Furu is the sole (100%) ultimate beneficial shareholder of Shanghai Liuyu, which holds 51% of Fengchi IOT. The Company holds the remaining 49% through its subsidiaries.</p>	<p>RMB 10.62 million (approximately S\$1.94 million)</p>	<p>Announced on 23 December 2025</p>
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Note:

- (1) Whilst accrued in accordance with applicable accounting principles, the interest amounts will only be payable at the end of the respective tenures of the relevant loans, in accordance with their terms.
- (2) Under the terms of the Leases, the rental amounts are due every three (3) months, and the next rental amounts will be due and payable by Daju Logistics (TianJin) Co., Ltd to Fengchi IOT Management Co., Ltd by the end of February 2026.
- (3) As the loan is interest free, there is no amount at risk.

The Company does not have a general shareholders' mandate for recurrent IPT.

Use of Proceeds

(Listing Manual Rule 1207(20))

The Company refers to the RMB Subscription Amount of RMB 200 million (equivalent to the Subscription Amount of SGD 42,935,961.02 based on the Agreed Exchange Rate) (being all of the proceeds from the Proposed Subscription) for the Subscription Shares.

The table below sets out the use of proceeds from the Proposed Subscription approved by shareholders on 5 August 2022, as disclosed in the Company's announcement dated 5 March 2023.

The proposed amendments to the Fengchi IOT Loan as an IPT under Chapter 9 of the SGX-ST Listing Manual were approved by Independent Shareholders at the extraordinary general meeting held on 7 August 2025, as disclosed in the Company's circular dated 23 July 2025. The Fengchi IOT Loan (principal amount: RMB200 million), originally due in August 2025, was extended by a further three (3) years to 12 August 2028 (total tenure: six (6) years), with the interest rate revised from 5% to 6% per annum for the extended period, bringing the total value of the Amended Fengchi IOT Loan (inclusive of accrued interest of approximately RMB36 million) to approximately RMB236 million. The Company was also granted the right to request annual repayment of accrued interest, subject to the Audit and Risk Committee's assessment of Fengchi IOT's working capital position.

CORPORATE GOVERNANCE REPORT

Use of net proceeds	Allocation of proceeds	Proceeds utilised as at 31 December 2025
Pay for the principal amounts of the Shareholders' Fengchi IOT Bridging Loans	RMB 16.0 million (equivalent to approximately SGD 3.4 million)	RMB 11.81 million
Pay for the final outstanding payments under the Construction Financing	RMB 166.9 million (equivalent to approximately SGD 35.8 million)	RMB 165.5 million
Finance the remaining instalment amounts and interest payments under the Bank Loan for FY2022	RMB 23.5 million (equivalent to approximately SGD 5.0 million)	RMB 22.69 million

The Company enter Loan Agreement as an IPT loan agreement of RMB 300 million and SGD 10 million on 22 July 2024.

- (I) The Proposed Entry by The Company into a Loan Agreement (The "Company Loan Agreement") with New Development Hotel Management Pte. Ltd. ("New Development") as an Interested Person Transaction (The "Proposed Entry By The Company Into The Company Loan Agreement As An IPT");
- (II) The Proposed Entry By 丰驰物联网管理有限公司 Fengchi IOT Management Co., Ltd. ("Fengchi IOT") into a Loan Agreement (The "Fengchi IOT Loan Agreement") with New Development as an Interested Person Transaction (The "Proposed Entry By Fengchi IOT Into The Fengchi IOT Loan Agreement As An IPT");

The table below sets out the use of proceeds from the proposed IPT approved by shareholders on 13 August 2024, as disclosed in the Company's announcement dated 26 February 2025. The total approved amount is RMB 300 million and SGD 10 million.

Use of net proceeds	Allocation of proceeds	Proceeds utilised as at 31 December 2025
Full repayment of the remaining outstanding amounts (comprising principal and interest) under the First 3P Financing	Up to RMB 129 million (approximately SGD 23.57 million)	RMB 108.5 million
Repayment of the Second 3P Financing in accordance with the repayment terms of the Second 3P Financing	Up to RMB 100 million (approximately SGD 18.27 million)	RMB 12 million

CORPORATE GOVERNANCE REPORT

Capital expenditure for Fengchi IOT, including the following: (a) renovation of the office tower; (b) installation of security systems for the warehouse area; and (c) installation of facility and equipment for vehicle inspection to meet PRC authority requirements and customer needs	Up to RMB 10 million (approximately SGD 1.83 million) Up to RMB 5 million (approximately SGD 0.91 million) Up to RMB 12 million (approximately SGD 2.19 million)	NIL
Repayment of the Liuyu Loan	RMB 6.6 million (approximately SGD 1.21 million)	NIL
Working capital for trading of parallel import cars by Fengchi IOT	Up to RMB 37.4 million (approximately SGD 6.83 million)	NIL

Background to, Rationale for and Benefits of the Company Loan Agreement

As disclosed in the circular dated 21 July 2022 (the "Subscription Circular"), Mr. Ding, through New Development, subscribed for 1,047,218,560 Shares in two (2) tranches on 12 August 2022 and 20 October 2022 (the "New Development Share Subscription"), becoming a Controlling Shareholder with a shareholding interest of 72.99% in the Company. Further to the investment by Mr. Ding, through the New Development Share Subscription as further described in the Subscription Circular, the Group wishes to have access to further funds for the following uses. As a Controlling Shareholder, Mr. Ding, through New Development, is supportive of the endeavours of the Group and wishes to provide the financing to facilitate the Group's continued operations on the following basis:

Use of the proceeds from the Company Loan	Maximum amount	Proceeds utilised as at 31 December 2025
Capital expenditure for the Group's operations in Singapore (including but not limited to renovation of its restaurant(s))	Up to SGD 2 million	NIL
Potential investment into new business(es) ⁵	Up to SGD 6 million	NIL
General working capital of the Group	Up to SGD 2 million	NIL

⁵ The Company will seek for necessary approvals from its Shareholders where required for such investments.

The Company intends to only drawdown on the Company Loan as and when required for the above purposes. In the event that there is any material deviation in the use of proceeds from the Company Loan, the Company will update its Shareholders where necessary.

STATISTICS OF SHAREHOLDERS

AS AT 12 MARCH 2026

Total number of issued shares excluding treasury shares and subsidiary holdings	– 1,434,967,260
Number of treasury shares held	– NIL
Number of subsidiary holdings held	– NIL
Class of Shares	– Ordinary shares
Voting Rights	– One Vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 – 999	40	2.51	1,912	0.00
100 – 1,000	160	10.02	89,256	0.01
1,001 – 10,000	549	34.40	1,947,475	0.13
10,001 – 1,000,000	826	51.75	69,430,523	4.84
1,000,001 and above	21	1.32	1,363,498,094	95.02
	1,596	100.00	1,434,967,260	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

(as shown in the Register of Members)

No.	Name of Shareholder	No. of Shares	% of Shareholdings
1.	NEW DEVELOPMENT HOTEL MANAGEMENT PTE. LTD.	1,047,218,560	72.98
2.	UOB KAY HIAN PTE LTD	102,040,450	7.11
3.	UNION ENERGY CORPORATION PTE LTD	41,000,000	2.86
4.	SINGAPORE ENTERPRISES PTE LTD	38,700,000	2.70
5.	CITIBANK NOMINEES SINGAPORE PTE LTD	35,670,800	2.49
6.	OCBC SECURITIES PRIVATE LTD	25,742,833	1.79
7.	LEE TONG SOON	23,935,526	1.67
8.	UNIGOLD ASIA LIMITED	22,252,725	1.55
9.	DBS NOMINEES PTE LTD	6,298,550	0.44
10.	CHAN I-HARN ALVIN (CHEN YIHAN ALVIN)	3,032,000	0.21
11.	TEO KOK LEONG	2,852,000	0.20
12.	PHILLIP SECURITIES PTE LTD	2,347,900	0.16
13.	FOO HEE YI	2,122,200	0.15
14.	ANG YU SENG	1,554,500	0.11
15.	CHUA YEW CHYE	1,399,900	0.10
16.	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,367,250	0.10
17.	CHEN LIPING	1,300,000	0.09
18.	LIM CHIN HOCK	1,300,000	0.09
19.	TAN GEK POEY	1,204,100	0.08
20.	TOO BEE FERN	1,097,800	0.08
	TOTAL	1,362,437,094	94.96

STATISTICS OF SHAREHOLDERS

AS AT 12 MARCH 2026

SUBSTANTIAL SHAREHOLDERS AS AT 12 MARCH 2026

(as shown in the Register of Substantial Shareholders)

No.	Name of Shareholder	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	UOB Kay Hian Private Limited	100,000,000	6.97	–	–
2.	Hong Kong Bright Food Investment Co., Limited ⁽¹⁾	–	–	100,000,000	6.97
3.	Yang Shang Ran ⁽¹⁾	–	–	100,000,000	6.97
4.	Union Energy Corporation Pte Ltd	41,000,000	2.86	–	–
5.	Teo Kiang Ang ⁽²⁾	35,211,000	2.45	41,000,000	2.86
6.	New Development Hotel Management Pte. Ltd.	1,047,218,560	72.98	–	–
7.	Ding Furu ⁽³⁾	–	–	1,047,408,760	72.99

Notes:

- (1) Hong Kong Bright Food Investment Co., Limited (“HK Bright Food”) is deemed interested in the shares held by UOB Kay Hian Private Limited for and on behalf of it as the beneficial owner. Mr Yang Shang Ran is deemed interested in the 100,000,000 Shares held by UOB Kay Hian Private Limited for and on behalf of HK Bright Food, which he is the sole shareholder.
- (2) Mr. Teo Kiang Ang is deemed interested in the 41,000,000 Shares held by Union Energy Corporation Pte Ltd, which he is the ultimate beneficial owner.
- (3) Mr Ding Furu is deemed to be interested in (a) 190,200 shares held by UOB Kay Hian Private Limited, as the beneficial owner; and (b) 1,047,218,560 shares held by New Development Hotel Management Pte. Ltd., of which Mr Ding Furu is the sole director and shareholder.

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL

As at 12 March 2026, based on the registers of shareholders and to the best knowledge of the Company, the percentage of shareholding held in the hands of the public is 14.74%. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual.

DISCLOSURE OF INFORMATION ON PROPOSED APPOINTMENT OF DIRECTOR

Ms Zhang Xisu is proposed for appointment as a Director of the Company at the Annual General Meeting to be held on 23 April 2026. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the appointment of Ms Zhang Xisu as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Date of Appointment	24 April 2026
Date of last re-appointment	N/A
Age	44
Country of principal residence	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered the recommendation of the Nominating Committee ("NC") and has reviewed and considered the credentials and working experiences of Ms Zhang Xisu, was of the view that she will be able to contribute towards the core competences, skills and diversity of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for marketing communication, public relationship, government relationship, human resource, business development and brand management.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director
Professional qualifications	Bachelor degree in Computer Application from Changchun University of Science and Technology.
Working experience and occupation(s) during the past 10 years	2015 to 2025 Product Development Manager, Vohringer Furniture Technology Co.,Ltd (Listed company) 2019 to current date Special Assistant to the Chairman, New Development Group Co., Ltd
Shareholding interest in the listed issuer and its subsidiaries	Ms Zhang Xisu is deemed interested in the 1,047,408,760 shares which her spouse, Mr Ding Furu is deemed to be interested in (a) 190,200 shares held by UOB Kay Hian Private Limited, as the beneficial owner; and (b) 1,047,218,560 shares held by New Development Hotel Management Pte. Ltd., of which Mr Ding Furu is the sole director and shareholder.

DISCLOSURE OF INFORMATION ON PROPOSED APPOINTMENT OF DIRECTOR

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Zhang Xisu was nominated by the substantial shareholder, New Development Hotel Management Pte. Ltd. Ms Zhang Xisu is the spouse of Mr Ding Furu, non-independent and non-executive director and substantial shareholder of the Company.
Conflict of Interest (including any competing business)	NIL
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships#	<u>Past (for the last 5 years)</u> NIL <u>Present</u> NIL

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

DISCLOSURE OF INFORMATION ON PROPOSED APPOINTMENT OF DIRECTOR

c) Whether there is any unsatisfied judgment against him?	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

DISCLOSURE OF INFORMATION ON PROPOSED APPOINTMENT OF DIRECTOR

<p>h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?</p>	<p>No</p>
<p>i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?</p>	<p>No</p>
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p>

DISCLOSURE OF INFORMATION ON PROPOSED APPOINTMENT OF DIRECTOR

<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>No</p> <p>The Company will arrange for Ms Zhang Xisu to attend training.</p>

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of PAVILLON HOLDINGS LTD. (the “Company”) will be held at 5 Stadium Walk, #02-01 Leisure Park Kallang, Singapore 397693 on Thursday, 23 April 2026 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Directors’ Statement and Independent Auditors’ Report thereon. **Resolution 1**
2. To approve payment of Directors’ Fees of S\$150,000 for the financial year ending 31 December 2026, with payment to be made in arrears. **Resolution 2**
3. To re-elect Mr Francis Lee Fook Wah, a Director of the Company, who will retire pursuant to Article 117 of the Constitution of the Company. **Resolution 3**
[See Explanatory Note (i)]
4. To re-elect Mr Fan Bin, a Director of the Company, who will retire pursuant to Article 117 of the Constitution of the Company. **Resolution 4**
[See Explanatory Note (ii)]
5. To appoint Ms Zhang Xisu as a director of the Company. **Resolution 5**
[See Explanatory Note (iii)]
6. To re-appoint Messrs CLA Global TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 6**
7. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolution:

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to allot and issue shares

Resolution 7

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

- (a)
 - (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:
 - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);
 - (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING

Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (iv)]

9. Proposed renewal of the Share Buyback Mandate

Resolution 8

“That: -

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the “Shares”) not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors in their discretion from time to time up to the Maximum Price, whether by way of:
- (i) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases (“**Off-Market Purchases**”), (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of the SGX-ST.

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

NOTICE OF ANNUAL GENERAL MEETING

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is the earlier;
 - (ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or
 - (iii) the date on which purchases and acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the Purchase Price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

“Maximum Percentage” means the total number of Shares that may be purchased or acquired which shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the Annual General Meeting at which the Share Buyback Mandate is approved, unless: (i) the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be; and

“Maximum Price” means the purchase price to be paid for a Share as determined by the Directors which must not exceed in the case of a Market Purchase, 105% of the Average Closing Price, and in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, in either case, excluding related expenses of the purchase;

NOTICE OF ANNUAL GENERAL MEETING

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution; and
- (e) to the extent that any action in connection with the matters referred to in the above paragraphs of this Resolution or the transactions contemplated and/or authorised by this Resolution has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.”

Resolution 8

[See Explanatory Note (v)]

BY ORDER OF THE BOARD

CHAN LAI YIN
Company Secretary

Singapore, 8 April 2026

Explanatory Notes:

- (i) Mr Francis Lee Fook Wah will upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit and Risk Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. The detailed information relating to Mr Francis Lee Fook Wah as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Corporate Governance Report under Provision 4.5 of the Annual Report.
- (ii) Mr Fan Bin, will upon re-election as a Director of the Company, remain as the Executive Chairman of the Company. The detailed information relating to Mr Fan Bin as required under Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Corporate Governance Report under Provision 4.5 of the Annual Report.
- (iii) Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, detailed information of Ms Zhang Xisu who is proposed to be appointed as a Director of the Company can be found under “Disclosure of Information on Director seeking appointment”. Upon appointment at the AGM, Ms Zhang Xisu will take on the role as Executive Director of the Company with effect from 24 April 2026.
- (iv) Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued will not exceed twenty per cent. (20%) of Company's total number of issued shares excluding treasury shares and subsidiary holdings of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instrument made or granted under this authority.

NOTICE OF ANNUAL GENERAL MEETING

- (v) Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the earliest of: (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held; (b) the date on which purchases and acquisitions of Shares pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or (c) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by the Company in a general meeting, to purchase or acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Buy-back Mandate is limited to the number of Shares representing not more than ten per cent. (10%) of the issued Shares of the Company as at the date of the Annual General Meeting, and at such price(s) as may be determined by the Directors of the Company from time to time up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-back Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2025 are set out in greater detail in the Appendix enclosed together with the 2025 Annual Report.

Notes:

1. The Annual General Meeting of the Company ("**AGM**") is being convened, and will be held physically. This Notice can be accessed at the Company's website at the URL <https://thavillagerestaurant.com.sg/investors/> or SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. (a) A member (who is not a relevant intermediary) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where such member's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed.

"**Relevant intermediary**" shall have the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore
3. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. Members (including investors who holds shares under the Central Provident Fund and Supplementary Retirement Scheme ("**CPF and SRS Investors**") may participate in the AGM by:
 - (a) Attending the AGM in person;
 - (b) Asking questions at the AGM or submitting questions in advance of the AGM; and/or
 - (c) Voting at the AGM (i) personally; or (ii) through duly appointed proxy(ies).
5. Submission of substantial and relevant questions relating to the agenda of the AGM.

Members, including CPF Investors and SRS Investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner:

- (a) if submitted by post, be lodged with the Company's registered office at Block 1002, Tai Seng Avenue #01-2536, Singapore 534409; or
- (b) if submitted electronically, the instrument must be submitted via email to sg.is.proxy@vistra.com,

NOTICE OF ANNUAL GENERAL MEETING

in each case, by 3.00 p.m. on 15 April 2026 (being at least seven (7) calendar days from the date of the Notice of AGM).

When sending in questions by post or email, please also include the following details: (a) full name (for individuals)/company name (for corporate); (b) address and email address; (c) contact number; and (d) the manner in which the Shares are held (e.g. if you hold shares of the Company directly, please provide your CDP account number; otherwise, please state if you hold shares of the Company through CPF or SRS).

The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by 3.00 p.m. on 18 April 2026 (at least 48 hours prior to the closing date and time for the lodgment of the proxy forms). The Company's response will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

Members (including CPF Investors and SRS Investors) and, where applicable, appointed proxy(ies) can also ask live at the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM by attending the AGM physically.

6. The instrument appointing a proxy must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 or send electronic mail to sg.is.proxy@vistra.com enclosing signed PDF copy of the Proxy Form not less than seventy-two (72) hours before the time appointed for the meeting.
7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (i.e. 3.00 p.m. on 20 April 2026), as certified by CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the AGM.
8. CPF Investors and SRS Investors:
 - (a) may attend and cast their vote(s) at the AGM in person if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the AGM (i.e. by **3.00 p.m. on 14 April 2026**), and such CPF Investor and/or SRS Investors shall be precluded from attending the AGM.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By lodging an instrument appointing a proxy(ies) and/or representative(s), a Shareholder (i) consents to the collection, use and disclose of the Shareholder's personal data by the Company (and its agents) for the purpose of the processing and administration by the Company (and its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and its agents) to comply with any applicable laws, listing rule, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (and its agents), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

PAVILLON HOLDINGS LTD.

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

PROXY FORM

IMPORTANT:	
1.	CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Bank/SRS Operators to submit their votes by 3.00 p.m. on 14 April 2026.
2.	For investors who have used their CPF monies and/or SRS monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3.	By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2026.

*I/We _____ (Name) NRIC/Passport No./Co. Registration No. _____ of _____ (Address) being a member/members of Pavillon Holdings Ltd. (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

or failing him/her, the Chairman of the Annual General Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on my/our behalf at the Annual General Meeting (the "AGM") of the Company to be held at 5 Stadium Walk, #02-01 Leisure Park Kallang, Singapore 397693 on Thursday, 23 April 2026 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM and at any adjournment thereof.

*Please delete accordingly

No.	Ordinary Resolutions	For	Against	Abstain
Ordinary Business				
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Directors' Statement and Independent Auditors' Report thereon.			
2.	Approval of payment of Directors' Fees for the financial year ending 31 December 2026.			
3.	Re-election of Mr Francis Lee Fook Wah as a Director of the Company.			
4.	Re-election of Mr Fan Bin as a Director of the Company.			
5.	Appointment of Ms Zhang Xisu as a Director of the Company.			
6.	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors of the Company and to authorise Directors of the Company to fix their remuneration.			
Special Business				
7.	Authority to allot and issue shares.			
8.	Proposed renewal of the Share Buyback Mandate			

Note: Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" from voting the relevant Resolutions, please tick (X) or (✓) within the box provided. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" each Resolution in the boxes provided as appropriate. If you tick (X) or (✓) in the abstain box for a particular Resolution, you are directing your proxy, not to vote on that Resolution.

Dated this day of 2026.

.....
Signature(s) of Member(s)
or, Common Seal of Corporate Member

Total No. of Shares	No. of Shares
(a) CDP Register	
(b) Register of Members	

* Delete accordingly

IMPORTANT: PLEASE SEE NOTES OVERLEAF BEFORE COMPLETING THIS FORM

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)

(Incorporated in the Republic of Singapore)

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. CPF/SRS Investors who wish to vote at the AGM should approach their respective CPF agent banks/SRS Operators to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 3:00 p.m. on 14 April 2026). CPF/SRS Investors should not directly appoint the Chairman as proxy to direct the vote.
3. Relevant Intermediaries shall also appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to participate at the AGM by observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream with such information that may be requested by the Company.

* A Relevant Intermediary is:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. The proxy need not be a member of the Company.
5. The instrument appointing a proxy must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 or send electronic mail to sg.is.proxy@sg.vistra.com enclosing signed PDF copy of the Proxy Form not less than seventy-two (72) hours before the time appointed for the meeting.
6. The instrument appointing a proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.
9. The Company shall be entitled to reject an instrument appointing a proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
10. By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2026.

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)

(Incorporated in the Republic of Singapore)

REQUEST FORM

8 April 2026

Dear Shareholders

Annual Report for the Financial Year Ended 31 December 2025 ("AR FY2025")

We are pleased to enclose printed copies of the Notice of Annual General Meeting ("**AGM**") dated 8 April 2026 (with Appendix related to the proposed renewal of share buyback mandate) and Proxy Form for the upcoming Annual General Meeting of Pavillon Holdings Ltd. (the "**Company**") to be held on Thursday, 23 April 2026 at 3.00 p.m..

In line with the Company's sustainability efforts, we are implementing the use of electronic communications for the purposes of serving notices to shareholders of the Company and sincerely hope that you will join our sustainability efforts and embrace electronic communications.

In this regard, the AR FY2025 has been made for download from the Company's corporate website at this URL <https://thaivillagerestaurant.com.sg/investors/> available from the date of this letter. The AR FY2025 has also been made available on SGXNET.

If you wish to receive a printed copy of AR FY2025, please complete the Request Form below and return it to the Company, no later than 15 April 2026.

By completing, signing and returning the Request Form to us, you agree and acknowledge that we and/or our service provider may collect, use and disclose your personal data, as contained in your submitted Request Form or which is otherwise collected from you (or your authorized representative(s)), for the purpose of processing and effecting your request.

Yours faithfully

Fan Bin (Mr)
Executive Chairman

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)

(Incorporated in the Republic of Singapore)

REQUEST FORM

To : Pavillon Holdings Ltd.
Block 1002 Tai Seng Avenue
#01-2536
Singapore 534409

Please send me a printed copy of the Annual Report for the financial year ended 31 December 2025.

Name(s) of Shareholder(s): _____

NRIC/Passport Number(s): _____
(Last 4 characters)

Company Registration Number: _____

Mailing Address: _____

Signature(s): _____ Date: _____

SUSTAINABILITY REPORT 2025

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BOARD STATEMENT

Dear Valued Stakeholder,

We are pleased to share Pavillon Holdings Ltd.'s eighth sustainability report, which provides a comprehensive overview of our environmental, social, and governance ("**ESG**") practices throughout the financial year ending 31st December 2025.

Our sustainability vision is to produce and supply high-quality products and services in a manner that minimises any adverse impact on the environment, while at the same time creating sustainable value for our stakeholders. To this end, we integrate our ESG initiatives into our strategy and operations to ensure that our commitment to sustainability remains steadfast, and we are pleased to present our progress throughout this report.

At our Group, providing a unique and exceptional dining experience to our customers is our top priority. We invest in our employees to equip them with the knowledge and skills needed to serve our customers better. Our commitment to customer satisfaction is reflected in the quality of our service and the attention to detail that we put into every aspect of our business.

Our mission is to maintain high standards of service and food quality across all our restaurants and kiosks, which form our portfolio of food and beverage ("**F&B**") brands. To achieve this mission, we rely on several fundamental pillars. These pillars serve as the foundation for our commitment to excellence in the F&B industry, including customer satisfaction, employee development, and food safety.

We take great pride in adopting best practices in the management of our food storage and preparation. Our highly trained staff adhere to strict guidelines to ensure that all food products meet our high standards of quality and safety. We have obtained ISO 22000 certification for our food safety management systems, which comply with international standards, ensuring that the food we serve is not only delicious but also of the highest quality.

We believe that providing an exceptional dining experience goes beyond just serving delicious food. It requires a deep understanding of our customers' needs, a passion for excellence, and a commitment to continuous improvement. By prioritizing these pillars, we can deliver unparalleled experiences to our customers at every touchpoint, from the moment they enter our establishments to the last bite of their meal.

Aligned with the increasing global focus on climate-related risks and opportunities and their potential impact on businesses, the Group continues to disclose its Scope 1 and Scope 2 greenhouse gas emissions. In FY2025, the Group completed its Enterprise Risk Assessment, which incorporated an assessment of sustainability-related and climate-related risks. This assessment was conducted within the Group's Enterprise Risk Management ("**ERM**") framework and is aligned with the recommendations of Task Force on Climate-Related Financial Disclosures ("**TCFD**"). As no material changes to the Group's business operations or new risk concerns were identified during the review, the climate-related risks and opportunities remain consistent with those disclosed in the previous reporting period. In line with the Singapore Exchange ("**SGX**") announcement deferring mandatory International Sustainability Standards Board ("**ISSB**") climate-related disclosures to financial years commencing on or after 1 January 2030, the Group has postponed the implementation of qualitative climate scenario analysis and will assess its adoption at a later stage in preparation for the upcoming reporting requirements.

BOARD STATEMENT

Our unwavering dedication to these commitments enables us to uphold our reputation for providing exceptional service and high-quality food products. We continuously strive to exceed our customers' expectations by innovating our processes, products, and services. With these pillars at the forefront of our operations, we are confident that we will continue to provide our customers with the best F&B experiences possible.

Thank you for your continued support and trust in our company. We look forward to serving you and sharing our progress in sustainability in the coming years.

Mr Fan Bin
Executive Chairman, Pavillon Holdings Ltd

ABOUT THIS REPORT

Reporting Boundary

Our Sustainability Report delves into the Group's plans, actions, and accomplishments regarding ESG topics that we have determined to be most relevant to our business and stakeholders throughout our value chain. This is Pavillon's eighth sustainability report that describes the Group's sustainability strategies and approaches and provides detailed information about our sustainability performance for the financial year 1st January 2025 to 31st December 2025 ("FY2025"), with any relevant past performance data included for comparison.

Reporting Period & Standard

This report is prepared with reference to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Main-board Listing Rule 711A and 711B and the Global Reporting Initiative ("**GRI**") Universal Standards 2021. We have selected this reporting standard as it is globally recognized for sustainability reporting due to its reporting principles.

Aligned with the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations, the previously assessed climate-related risk ratings were retained following the FY2025 ERM review, as no material changes to the Group's core business or new climate-related risks were identified. Accordingly, the climate-related opportunities disclosed in the previous year remain applicable for FY2025.

This report covers operations in Singapore and China. During the process of reviewing data, we identified a discrepancy in the FY2024 employee headcount due to one employee being double counted across both Singapore and China operations. As a result, the FY2024 data for GRI 401 – Employment (Page 186) has been restated to ensure accuracy and comparability. In addition, the total carbon emissions, stationary combustion emissions, and GHG emission intensity for FY2024 (Page 194) have been restated due to a revision of the emission factor applied for gas consumption in Singapore. The updated calculations now use the Town Gas emission factor published in the Singapore Emission Factors Registry ("**SEFR**").

Independent Assurance

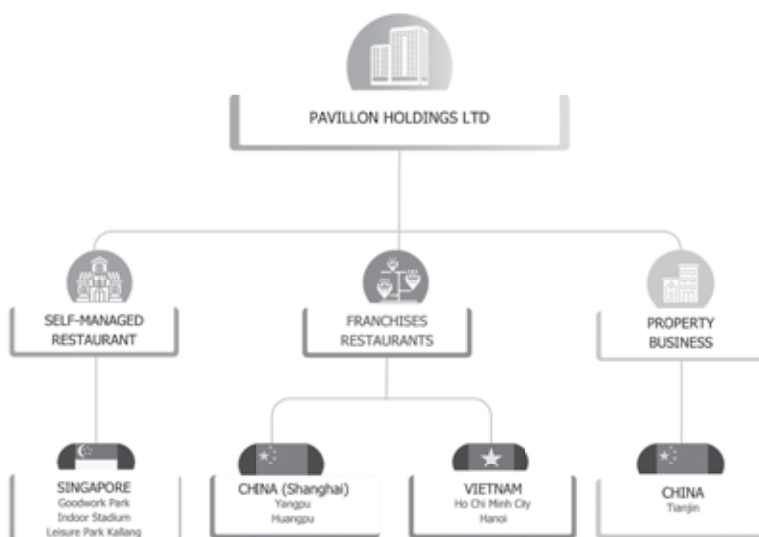
The accuracy of this Report is ensured through the use of internal data monitoring and verification procedures and no external assurance has been obtained. As we make further progress in our sustainability journey, the possibility of obtaining external assurance for future reports will be considered.

Feedback

We place great importance on listening to our stakeholders. We sincerely value any feedback on our sustainability performance and this report, and we encourage you to contact us at general@pavillon.com.sg to share your thoughts.

As part of our commitment to minimize resource consumption in report production, we have opted not to produce physical copies of this report. Stakeholders are encouraged to access the electronic version of the report which can be found uploaded on to SGX-ST website (www.sgx.com/securities/company-announcements)

CORPORATE STRUCTURE



In FY2025, Pavillon discontinued operation at its Singapore Indoor Stadium outlet from October, following the relocation to its new premise at Leisure Park Kallang.

As at 31 December 2025, Pavillon's Board of Directors consisted of the following members:

BOARD OF DIRECTORS

FAN BIN	FRANCIS LEE FOOK WAH	KONG WEILI	DING FURU	BAI YUN
<i>Executive Chairman</i>	<i>Lead Independent Director</i>	<i>Independent Director</i>	<i>Non-Executive and Non-Independent Director</i>	<i>Executive Director</i>

KEY EXECUTIVES

MAXTEIN OH KOK THAI	MR HAU EE BOON	MR LOH BENG KIAT, CALVIN
Group General Manager	Executive Chef	Financial Controller

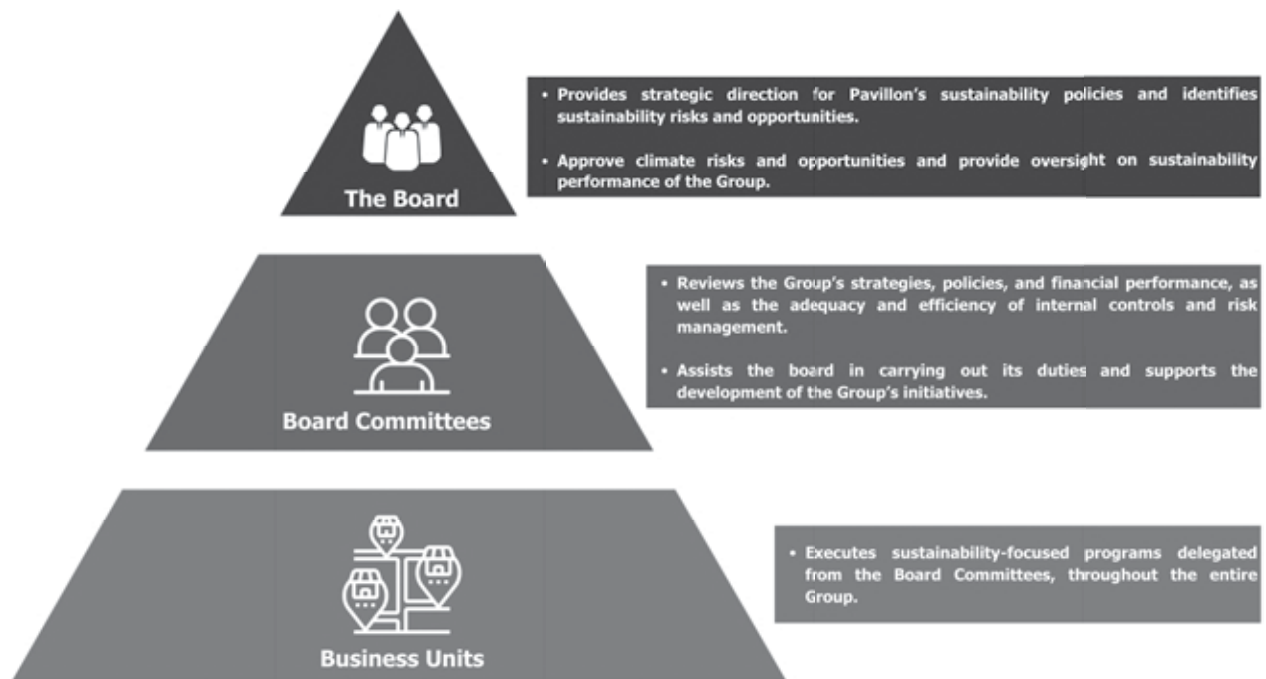
SUSTAINABILITY GOVERNANCE

Our Board of Directors leads our sustainability governance efforts, playing a critical role in incorporating sustainability into our business strategy and maintaining excellent corporate governance standards throughout the Group.

The Board receives support from various committees, including the Audit, Nominating, and Remuneration Committees, as well as our employees who work to achieve our sustainability objectives in our daily operations. The Board of Directors has also attended the sustainability training, as mandated by the enhanced SGX sustainability reporting rules.

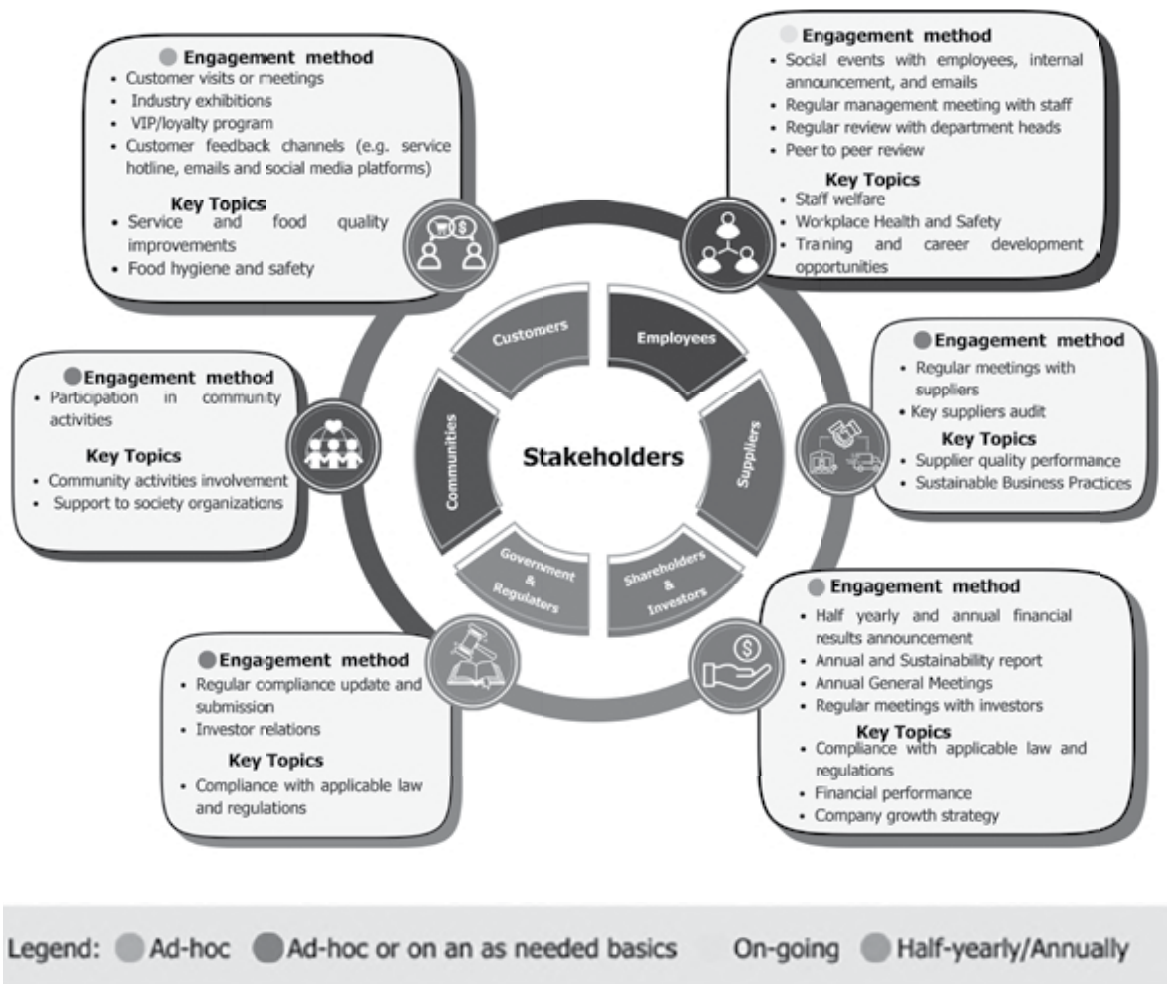
The Board acknowledges that a high standard of corporate governance ensures the sustainability of the business and safeguards the interest of stakeholders. You may refer to our Corporate Governance Report in our FY2025 Annual Report for more details of our corporate governance practices.

Our Sustainability Governance Structure is set out as follows:



STAKEHOLDER ENGAGEMENT

Pavillon recognizes that maintaining strong relationships with its stakeholders is essential for achieving sustained success and expansion. We believe that sustainability is not solely about minimizing environmental harm but also involves nurturing and empowering our employees, customers, business partners, and local communities by treating them with dignity and providing them with growth opportunities. We have utilized a range of engagement methods to effectively communicate with our stakeholders promptly and understand their concerns and expectations.



MATERIALITY ASSESSMENT

As a Group, we understand the significance of identifying the most significant ESG risks and opportunities which can facilitate the development of a successful sustainability strategy. Pavillon conducted a materiality assessment in FY2021 to identify, prioritise, and validate ESG factors based on their impact on (a) key stakeholders' evaluations and decisions, and (b) the economy, environment, and society. After receiving feedback from both our internal and external stakeholders, we proceed to evaluate the level of influence and impact that each ESG topic has on them and our company.

Every year we reassess the selected material topics to ensure that they remain relevant to our business. This year, we have reviewed the eight (8) ESG topics in the previous year and determined that they remain material to our business and our stakeholders.

Material Topic	Our Commitment	FY2025 Performance	Our Targets		
			Short	Medium	Long
Economic Performance (GRI 201)	To create long-term value by using financial strategies to maximize shareholder value and generate positive returns. In doing so, we aim to address the needs of our stakeholders and contribute to the betterment of society.	The Group recorded a 7% decline in revenue, primarily attributable to reduced F&B revenue in Singapore.	To achieve our revenue targets and create positive economic value for our shareholders.	To continue looking for opportunities for new business ventures.	To achieve consistent and sustainable financial growth while ensuring responsible business practices.
Employment (GRI 401)	Our priority is to retain our employees and create a work environment that prioritises their well-being and safety.	The total turnover in FY2025 is consistent with the level recorded in FY2024.	Maintain a stable workforce and sustain zero reported cases of workplace discrimination.	To expand our workforce and draw in more skilled individuals.	To minimise employee turnover and retain highly skilled personnel.

MATERIALITY ASSESSMENT

Material Topic	Our Commitment	FY2025 Performance	Our Targets		
			Short	Medium	Long
Energy & Emission (GRI 302 & GRI 305)	Our goal is to reduce our environment impact by implementing eco-friendly and energy-efficient practices throughout our workplaces.	Our energy intensity remained consistent with FY2024 levels, and we achieved a 12% reduction in GHG emission intensity, primarily driven by reduced operational activities	To continue monitoring energy consumption and maintain carbon emission intensity at current levels.	To implement more effective energy management strategies	To promote an energy conservation program to foster positive energy-saving habits throughout our organization.
Water (GRI 303)	Our goal is to use water responsibly at our restaurant outlet, recognizing the scarcity of water in Singapore	Our water consumption for FY2025 decreased by 14%, aligned with the decrease in business activities.	To continue monitoring water consumption across restaurant operations and maintain awareness of water usage among staff.	The Group will continue to monitor its water consumption data before determining a reasonable medium – long term target.	
Waste (GRI 306)	Our goal is to reduce waste generated by implementing waste management practices throughout our office and restaurants.	Our total waste increased by 82% in FY2025, driven by improved weight-based measurement and one-off clean-up activities.	To improve the accuracy and completeness of waste data collection, using actual weight-based measurement as the basis for reporting.	The Group will continue to monitor its waste generated data before determining a reasonable medium – long term target.	

MATERIALITY ASSESSMENT

Material Topic	Our Commitment	FY2025 Performance	Our Targets		
			Short	Medium	Long
Customer Health and Safety (GRI 416)	Our goal is to maintain zero food safety incidents.	We managed to achieve zero food safety incidents in FY2025.	To maintain zero food safety incidents	To maintain zero food safety incidents	To maintain zero food safety incidents
Customer Privacy (GRI 418)	Our goal is to maintain zero reported cases or complaints relating to breaches of customer privacy or loss of customer's personal data	We have zero reported cases relating to breaches of customer privacy or loss of customer's personal data.	To maintain zero cases relating to breaches of customer privacy or loss of customer's personal data.		

SUMMARY OF OUR ESG PERFORMANCE

Material Topics and Indicators	Reporting Period	
	FY2025	FY2024
Environmental		
Total carbon emission (tCO ₂ e)	464.95	603.26 ⁽¹⁾
<u>Scope 1 emissions (tCO₂e)</u>		
Stationary Combustion	164.28	221.61 ⁽²⁾
Mobile fuel combustion	6.14	8.21
Fugitive emissions (refrigerants)	32.15	69.75
<u>Scope 2 emissions (tCO₂e)</u>		
Purchased electricity (location based)	262.39	303.69
GHG emission intensity (tCO ₂ e / SGD revenue '000)	0.028	0.034 ⁽³⁾
Energy intensity (kWh / revenue per million SGD)	0.12	0.12
Water consumption (megalitres)	17.09	19.99
Non-hazardous waste generated (Tons)	100.80	55.35
Social		
<u>Employees</u>		
Male	45	47 ⁽⁴⁾
Female	30	33
Full-time employees (number)	73	78 ⁽⁴⁾
Part-time employees (number)	2	2
New hires (number)	11	10
Total turnover (number)	16	16
Governance		
Confirmed incidents of corruption or bribery	–	–
Incidents of non-compliance with regulations	–	–
Major safety issue and negative feedback	–	–

(1) Total carbon emissions in FY2024 has been restated due to revision of the emission factor used for gas consumption in Singapore. The updated calculation now applies the town gas emission factor published in the Singapore Emission Factors Registry.

(2) Emission from stationary combustion in FY2024 have been restated due to a revision of the emission factor used for gas consumption in Singapore. The updated calculation now applies the town gas emission factor published in the Singapore Emission Factors Registry.

(3) GHG emission intensity in FY2024 have been restated due to a revision of the emission factor used for gas consumption in Singapore. The updated calculation now applies the town gas emission factor published in the Singapore Emission Factors Registry.

(4) FY2024 employee figures were restated due to calculation error made in the previous reporting period.

GOVERNANCE – ECONOMIC PERFORMANCE

Why Is This Topic Important?

Customer Relationships

Establishing and sustaining strong customer relationships is essential for our business to succeed. It is mutually beneficial for both the customers and the Group, as customers are more loyal and understanding when they have a positive relationship with the business, and employees can more effectively provide customer service that contributes to customer satisfaction. By prioritising customer retention, the business can safeguard its customer base and ensure long-term sustainability.

Strategic Partnerships

Strategic Partnerships have gained its importance for corporate growth strategies, prompting our company to allocate greater resources and efforts to their management. In the current interconnected global economy, characterized by readily available information, such alliances enable firms to pool their expertise and resources, share expenses, diversify their operations, and opportunities for enhanced sales and operational efficiencies.

How Is This Topic Managed?

Customer Retention Management

Our approach to customer retention management aims to ensure that our current customers remain satisfied and loyal to our business long after their first purchase. By doing so, we can increase returns from existing customers who tend to spend more due to their familiarity with our business and products. Moreover, this loyalty often translates to a willingness to try new products. Thus, we believe that retaining our existing customers is a more cost-effective strategy than acquiring new ones, and it will ultimately lead to better revenue.

Strategic Partnerships

We have streamlined our procurement operations and established reliable partnerships with efficient suppliers. Supplier selection is based on demonstrated performance and overseen by a dedicated committee. Regular monthly reports are provided to management regarding these initiatives.

Moreover, we have partnered with various delivery companies and shared platforms to ensure business continuity. This has led to the establishment of a reliable supply chain with our international partners, ensuring the continuous flow of goods and stock for our operations.

Our Performance

The Group recorded a 7% decrease in revenue, from S\$17.6 million in FY2024 to S\$16.3 million in FY2025. Further details about our financial performance can be found in the annual report on pages 24 to 112.

GOVERNANCE – ECONOMIC PERFORMANCE

Our Target

Our aim at Pavillon Holdings Ltd is to be a leading restaurant operator by providing inventive and practical solutions to our clients' diverse needs. To accomplish this, we regularly assess our operational effectiveness, seek out fresh business opportunities, and enhance our range of products and services.

Our commitment lies in attaining sustainable economic growth in the long term. We aspire to meet our revenue objectives while expanding into new markets, all while striving to create value for our shareholders, as well as our wider range of stakeholders such as customers, employees, suppliers, local communities, and the environment.

GOVERNANCE – COMPLIANCE TO LAWS AND REGULATIONS

Why is this topic important?

Pavillon operates within the framework of various laws and regulations, especially those relating to the food and beverage industry. These encompass a range of statutes, such as the Code of Corporate Governance 2018, the Singapore Food Agency Act 2019, and the Code of Practice on Environmental Health issued by National Environment Agency (“NEA”), among others.

How is this topic managed?

Pavillon holds all the required licenses such as (i) food establishment license, (ii) liquor license and (iii) import license, among others to operate in the food and beverage industry. We continuously monitor applicable licensing, food safety, and employment regulations and ensure timely license renewals across our restaurant operations.

We have enlisted certified service providers to handle tasks such as pest control, maintenance of grease traps and floor traps, cleaning of exhaust ducts, carpet cleaning, and air-conditioning servicing. This is to ensure full compliance with all applicable laws and regulations.

Our Performance

There were no reported cases of non-compliance or fines paid during the reporting period.

GRI 2-27 Compliance to Law & Regulations	FY2025	FY2024
Total number of instances of non-compliance with laws and regulations		
– Number of fines incurred	0	0
– Number of instances of non-monetary sanctions incurred	0	0
Total monetary value of fines paid for the reporting period		
– Current reporting period	0	0
– Previous reporting period	0	0

Our Target

We aim to maintain zero cases of non-compliance and / or fines.

SOCIAL – EMPLOYMENT

Why Is This Topic Important?

We understand that our workforce is our most valuable asset and plays a vital role in ensuring our business' sustained success. Hence, we are committed to being a responsible employer and placing the well-being of our employees at the forefront. We firmly believe that a happy and healthy workforce translates into enhanced productivity.

How Is This Topic Managed?

We embrace a holistic strategy for recruiting, motivating, compensating and retaining a diverse workforce, encompassing differences in gender, nationality, age, skills and qualifications. We will continuously offer competitive remuneration, conduct regular performance appraisals, and maintain a respectful and inclusive workplace environment across all operations.

Our Performance

As of 31 December 2025, Pavillon's workforce comprised 75 employees, with 66 employees based in Singapore and 9 employees located in Tianjin, China. The full distribution of our employees is presented in Table 1, Figure 1 and Figure 2 as follows:

	FY2025	FY2024 ⁽⁵⁾
Male Employees	45	47 ⁽⁵⁾
Female Employees	30	33
Full-Time Employees	73	78 ⁽⁵⁾
Part-Time Employees	2	2

Table 1 Employees distribution based on gender and employment contract

(5) FY2024 employee figures were restated due to calculation error made in the previous reporting period.

SOCIAL – EMPLOYMENT

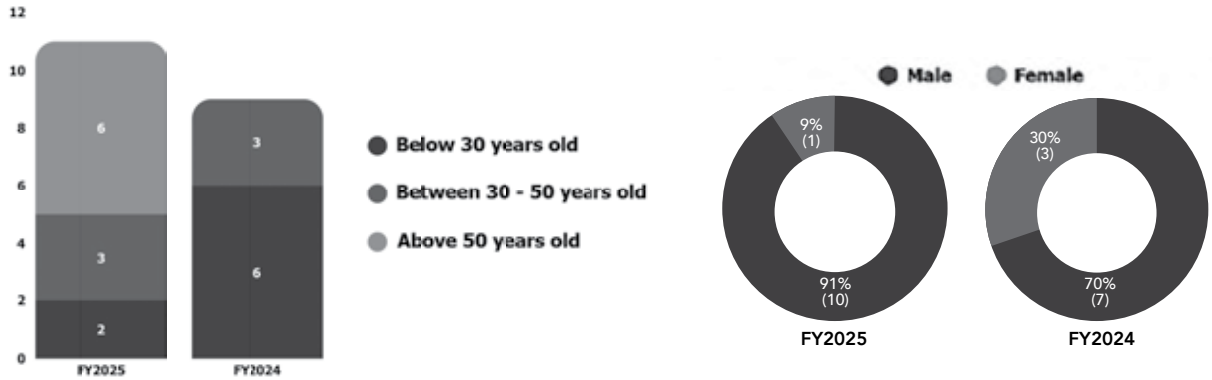


Figure 1 New hires based on age group and gender



Figure 2 Resignees based on age group and gender

Our Target

In FY2026, our goal is to maintain a stable workforce and sustain zero reported cases of workplace discrimination, with a long-term objective of minimizing employee turnover and retaining highly skilled talent.

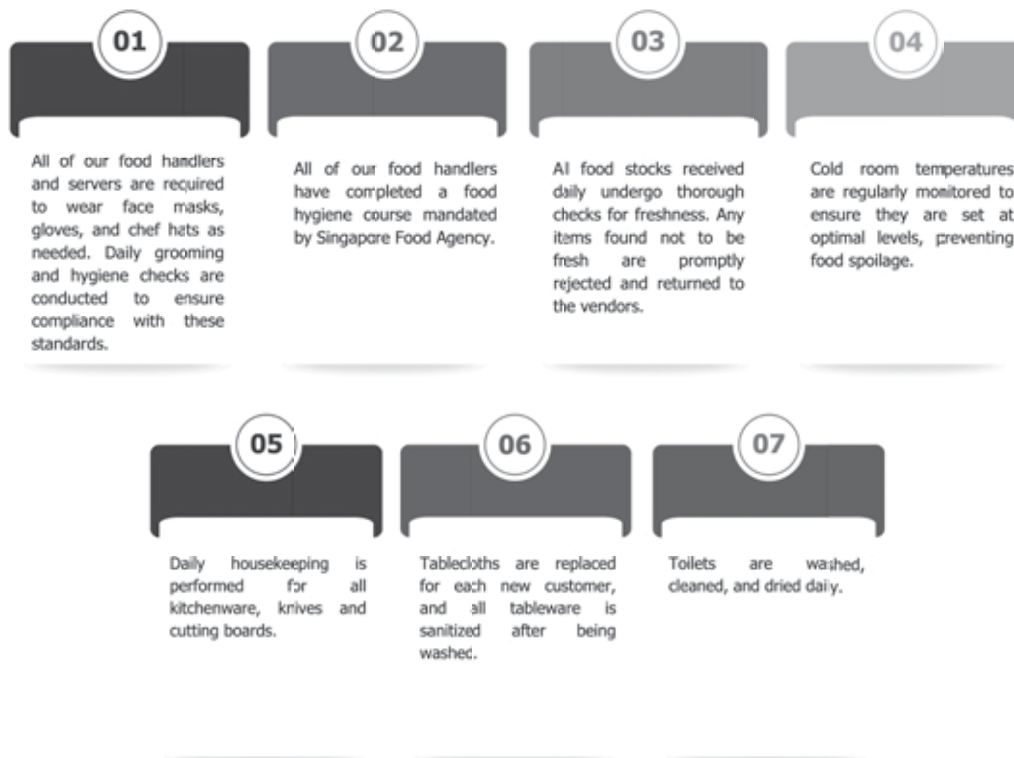
SOCIAL – CUSTOMER HEALTH AND SAFETY

Why Is This Topic Important?

Customer health and safety is a top priority for Pavillon as it is critical to building trust and loyalty among customers.

How Is This Topic Managed?

Pavillon adheres to ISO 22000 certification standards for food safety and ensure rigorous measures are in place.



Our Performance

In FY2025, there were no reported food safety incidents.

Our Target

In FY2026, our target is to maintain zero reported food safety incidents.

SOCIAL – CUSTOMER PRIVACY

Why Is This Topic Important?

Safeguarding the personal data entrusted to Pavillon by our customers is important, and we aim to fully comply with the Personal Data Protection Act 2012 (“PDPA”).

How Is This Topic Managed?

Pavillon collects customer personal data when they submit an online query or create an account for dining reservations or online purchases. The Group has established Personal Data Protection Policies & Procedures to govern the collection, storage, usage, processing, and disclosure of this information.

Our Performance

In FY2025, there were no reported cases or complaints regarding breaches of customer privacy or loss of customer’s personal data.

Our Target

In FY2026, our target is to maintain zero reported cases or complaints on breaches of customer privacy or loss of customer’s personal data.

ENVIRONMENT – TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD)

As a responsible business, we are committed to minimising our environmental impacts and carbon footprint. Our main environmental impacts arise from the use of electricity and gas. We are making efforts to improve energy and resource efficiency to reduce the impact of our business operations on the environment.

Since FY2023, the Group has adopted a phased approach for climate-related disclosure based on the Task Force on Climate-Related Financial Disclosures (“TCFD”). In FY2025, the Group conducted its Enterprise Risk Management (“ERM”) review, during which sustainability and climate-related topics were integrated into the risk identification and assessment process. This approach enables the Group to evaluate the relevance of climate-related risks and opportunities alongside other key business risk, while also incorporating the review of material sustainability topics as part of the ERM process.

Governance	Risk Management
<ul style="list-style-type: none"> The Board of Directors maintains overall responsibility and provides oversight on sustainability matters, including material ESG topics, climate-related risks and opportunities and associated metrics, which are considered as part of the overall business strategy. The Board Committee supports the Board of Directors in fulfilling its responsibilities and oversees the development, implementation, and review of the Group’s sustainability policies, practices, and initiatives. Sustainability and climate-related topics and risks are identified, assessed, and monitored through the Group’s Enterprise Risk Management (“ERM”) framework as part of its overall governance process. 	<p>Sustainability and climate-related considerations were applied as a lens in the assessment of the Group’s enterprise risks, with relevant sustainability and climate risks mapped to enterprise risks to ensure these factors are embedded within the Group’s risk management processes.</p>
Strategy	Metrics
<ul style="list-style-type: none"> As there were no material changes to the Group’s business operations and no emerging climate-related risks identified during the risk management process, the climate-related risks and opportunities remain consistent with those disclosed in FY2024. In line with the SGX announcement on sustainability reporting, which defers mandatory ISSB climate-related disclosures to financial year commencing on or after 1 January 2030, the Group has postponed the implementation of qualitative climate scenario analysis to a later stage. 	<ul style="list-style-type: none"> The Group continues to disclose its Scope 1 and 2 emissions, including short-term targets, as well as its climate-related risks and opportunities. In FY2025, the Group conducted a comprehensive gap analysis to assess the alignment of its current climate-related disclosures with the IFRS S2 requirements. Findings from the gap analysis will guide the Group in progressively enhancing its climate-related disclosures in preparation for the upcoming IFRS S2-aligned reporting.

ENVIRONMENT

– CLIMATE RELATED RISKS

Following the ERM review in FY2025 and given that there were no material changes to the business operations during the reporting year, the climate-related risks and opportunities remain consistent with those disclosed in the previous reporting period. As part of the climate risk assessment, the ratings are aligned with the Group's risk parameters and definition of risk ratings.

Risks	Description	Financial Impact	Short Term (<1 Year)	Medium Term (1 – 3 Years)	Long Term (3> Years)
Physical (Chronic)	Long term shift in climate patterns. Such as the increase in weather temperature. This results in a rise of sea levels and heat waves. Example, extreme weather will have a negative impact on the workforce such as employee health, safety and absenteeism. This results in higher operation costs.	Increase in cost of operations	Low	Low	Low
Physical (Acute)	Increased in severity of extreme weather such as cyclone, hurricanes or floods. Example, extreme weather will potentially disrupt the food supply of their main ingredients, resulting in delays and increase ingredients costs.	Reduction in revenue	Low	Low	Medium
Transition (Market)	Shift in customer's preference towards healthier, sustainable, or plant-based products	Reduction in revenue	Medium	Medium	Medium
Transition (Policy and Legal)	Inability to adapt to changes in the government regulations which may lead to non-compliances and/or loss of revenue	Reduction in revenue	Low	Low	Low

ENVIRONMENT – CLIMATE RELATED RISKS

Risks	Description	Financial Impact	Short Term (<1 Year)	Medium Term (1 – 3 Years)	Long Term (3> Years)
Transition (Policy and Legal)	Tightening regulations on Greenhouse Gas Emission and environmental related reporting requirements	Increase in cost of operations	Low	Low	Low
Transition (Reputation)	Negative ESG News Appearance: Companies Failing to Meet Policy Regulations or Targets of International Climate Change, Food Waste Treatment Initiatives	Reduction in revenue	Low	Low	Low

Table 2 Climate-Related Risk

ENVIRONMENT – CLIMATE RELATED OPPORTUNITY

In addressing climate-related risks for FY2025, Pavillon continues to implement the following opportunities to mitigate these risks:

Location	Opportunity category	Initiatives undertaken by Pavillon
Singapore	Energy Source	<ul style="list-style-type: none"> • Purchase new energy-saving equipment that is approved by Energy Efficiency Grant. For example, Pavillon tapped on the energy efficiency grant from Enterprise Singapore and invested in Hoshizaki refrigerator which are categorized as energy-efficient equipment. • Consider the feasibility of transitioning to solar energy to reduce reliance on electricity generated from national grids.
	Resource Efficiency	<ul style="list-style-type: none"> • Reduce food waste by educating customers and improve demand forecasting to optimize portioning and reduce food wastage.
	Product and Services	<ul style="list-style-type: none"> • Procure seafood only from fisheries approved by the National Parks Board.
Tianjin, China	Resource Efficiency	<ul style="list-style-type: none"> • Align with China’s EV adoption push, China is considering installing more EV charging points.

Table 3 Climate-Related Opportunities

ENVIRONMENT – GREEN HOUSE GAS ("GHG") EMISSIONS

Our GRI 305 Emission was identified as the metrics used to assess climate related risks and opportunities. The operational control approach is used for consolidation of data based on Greenhouse Gas ("GHG") protocol.

Our Performance

The Group's Scope 1 and 2 CO₂ Emissions are detailed below:

GHG Emissions		FY2025	FY2024
Scope 1 emissions (tCO ₂)	Stationary combustion ⁽⁶⁾	164.28	221.61 ⁽⁷⁾
	Mobile fuel combustion ⁽⁸⁾	6.14	8.21
	Fugitive emission (Refrigerants) ⁽⁹⁾	32.15	69.75
Scope 2 emissions (tCO ₂)	Purchased electricity (Location-based) ⁽¹⁰⁾	262.39	303.69
Total carbon emissions ⁽¹¹⁾ (tonnes CO ₂ equivalent)		464.95	603.26 ⁽¹²⁾
GHG Emission Intensity (tCO ₂ /SGD revenue '000)		0.028	0.034 ⁽¹³⁾

In FY2025, the total carbon emissions decreased by 25%, with reductions observed across both Scope 1 and Scope 2 emissions. This decrease was driven by lower business activity associated with a decline in revenue and enhanced operational efficiency measures, including initiatives that promote energy-saving habits among staff, such as switching off kitchen equipment and lighting when not in use.

(6) Stationary combustions are primarily town gas and natural gas consumed in Singapore and China operation respectively.

(7) Emission from stationary combustion in FY2024 have been restated due to a revision of the emission factor used for gas consumption in Singapore. The updated calculation now applies the town gas emission factor published in the Singapore Emission Factors Registry.

(8) Mobile fuel combustions are primarily fuel used consumed by Motor Gasoline Passenger Cars.

(9) Fugitive emissions are primarily emissions from air-conditioning and refrigerators from Singapore operations. R 404A is a blended refrigerant. Its Global Warming Potential was calculated as a mass weighted average using the Global Warming Potential dataset from GHG Protocol (August 2024) IPCC Sixth Assessment Report for HFC 125 (3,740), HFC 143a (5,810), and HFC 134a (1,530), based on the published blend composition of 44%/52%/4%.

(10) Purchased electricity are location-based with data derived from the national grids of Singapore and China.

(11) GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset for FY2025 is based on the IPCC Sixth Assessment Report and relevant emission factor derived from Singapore Emission Factors Registry.

(12) Total carbon emissions in FY2024 have been restated due to revision of the emission factor used for gas consumption in Singapore. The updated calculation now applies the town gas emission factor published in the Singapore Emission Factors Registry.

(13) GHG emission intensity in FY2024 have been restated due to a revision of the emission factor used for gas consumption in Singapore. The updated calculation now applies the town Gas emission factor published in the Singapore Emission Factors Registry

ENVIRONMENT – GREEN HOUSE GAS ("GHG") EMISSIONS

Additionally, complete gas consumption data from China has been obtained and included in the stationary combustion emission calculation. Despite this inclusion, the stationary combustion emissions remain lower than the previous year.

The Group further achieved a reduction in GHG emission intensity in FY2025, demonstrating improved efficiency in emission management relative to business activity.

Our Target

FY2025 is the third year that the Group has identified, collected and disclosed Scope 1 and 2 emission data. The Group will maintain its carbon emission intensity for FY2026 and in the long run, continuously monitor and enhance its understanding of its emission profile. This thorough comprehension will form the basis for establishing practical and relevant objectives to reduce carbon emissions wherever possible and appropriate.

ENVIRONMENT – ENERGY

Why Is This Topic Important?

Energy is a priority for our Group as we are a significant consumer of energy for food preparation. Any disruption in energy will materially impact on our food & beverage operations.

How Is This Topic Managed?

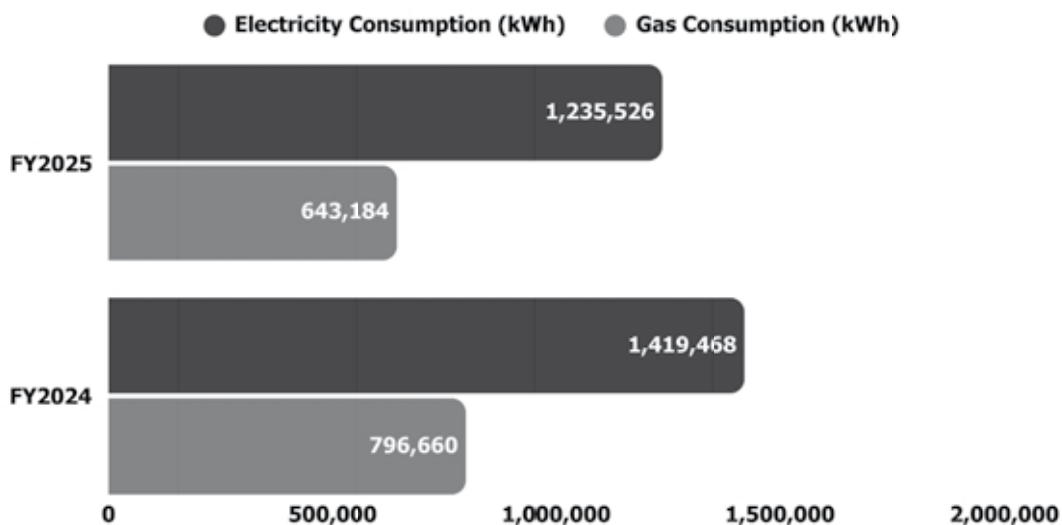
Our store layouts and designs focus on energy efficiency through measures such as LED lighting and natural ventilation, which not only reduce electricity consumption but also enhance the dining experience for our customers. We also conduct regular equipment maintenance to ensure optimal fuel combustion efficiency and performance.

The Group's central kitchen is a significant consumer of fuel and energy for food preparation. However, to reduce this substantial consumption, we have introduced energy-efficient cookware and appliances to supply energy to the facilities wherever possible.

In China, the gas is utilized to regulate temperature levels, with the system adjusting automatically to maintain the required conditions.

As a responsible business, we are always seeking ways to minimize our environmental impact and lower our emission intensity. By reducing our energy usage, we not only achieve these sustainability goals but also realize cost savings by reducing overheads and expenses during food production.

Our Performance



ENVIRONMENT – ENERGY

In FY2025, total electricity consumption decreased by 15%, reflecting the sustained impact of continued implementation of energy-saving measures introduced in the previous year. These measures include the installation of LED lighting across public areas of the garage and office building, the use of motion sensor switches for corridor lighting, and enhanced daily inspections after working hours to ensure electrical equipment and lighting are switched off when not in use.

For gas consumption, FY2025 incorporates the complete gas usage data from the China operation, addressing the data gaps identified in FY2024. Despite the inclusion of the complete China data, total gas consumption continues to decrease, reflecting ongoing operational efficiencies.

Overall, total energy consumption in FY2025 was largely influenced by business activity, with lower usage corresponding to the decrease in revenue, while energy intensity remained consistent with the previous year.

	FY2025	FY2024
Total Energy Consumption (kWh) ⁽¹⁴⁾	1,878,710	2,216,128
Total Energy Intensity (kWh / Revenue per million SGD)	0.12	0.12

Our Target

In FY2026, we will continue to monitor our energy consumption and maintain our carbon emission intensity.

(14) Total energy consumption is derived from electricity and gas usage from Singapore and China operations.

ENVIRONMENT – WATER

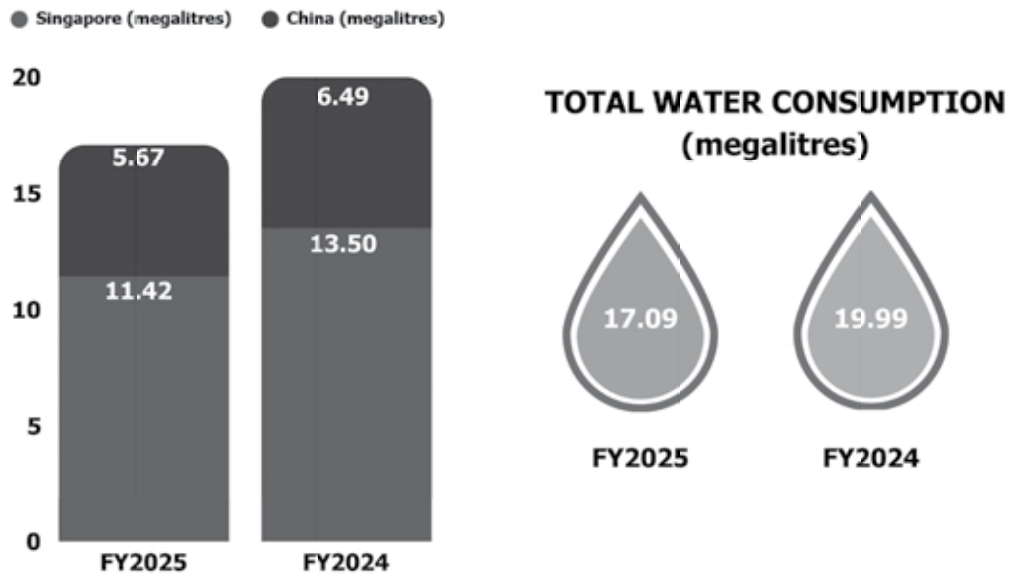
Why is it important?

We recognize that water is a critical resource for our food business and management of logistic hub. For our food business, water is utilized every day for washing, thawing, preparing dishes, and maintaining cleanliness at our restaurant outlets. Additionally, water is also essential to the management and operation of our logistic hub, where it supports facility upkeep, cleaning activities, and the smooth functioning of daily operational activities. Any disruption to water resources would directly affect the Group’s operational continuity and ability to deliver consistent service across all markets in which we operate.

How is this topic managed?

All our water withdrawal comes from Public Utilities Board (“PUB”) and Pavillon conducts regular checks and maintenance on pipes and installations to prevent potential water leakages. In China, water is also consumed at the Group’s logistics hub in Tianjin, where it supports essential facility operations and maintenance activities. Across all locations, the Group monitors and reviews water consumption by conducting inspections regularly to ensure proper monitoring and management of water usage. Staff are encouraged to use water responsibly, such as operating the dishwasher only when the wash basin is filled with utensils for washing and promptly reporting any water leaks for timely maintenance.

Our Performance



ENVIRONMENT – WATER

In FY2025, the Group consumed a total of 17.09 megalitres of water consumption as compared to 19.99 megalitres in FY2024. A decrease in water consumption is mainly driven by a decline in business activity, which has led to lower operational demands and overall water consumption.

Our Target

FY2025 is the third year that the Group has identified and collected water consumption data. The Group will continue to monitor its water consumption data and maintain awareness of water usage among staff before determining a reasonable target.

ENVIRONMENT – WASTE

Why is it important?

The main waste generated during our daily operations primarily comprises organic food waste, encompassing kitchen & food leftovers, and trimming from food preparation across outlets and kitchen. Other type of waste Pavillon generated include packaging waste from our outlets and kitchen, and paper waste in our office.

How is this topic managed?

Pavillon implements procedures for receiving and storing raw materials to maintain their quality and minimize food spoilage. The staff kitchen monitors raw material quantities carefully to order only what is necessary, reducing unused food.

Our waiter and waitress staffs at outlets are trained to recommend dishes based on customer numbers and inform customers if they have ordered excessively to prevent food waste.

All waste generated on our premises is handed over to licensed waste contractors who handle and dispose of it using the industry's best practices. For our outlets at Singapore Indoor Stadium, Goodwood Park Hotel and Leisure Park Kallang, we ensure that all waste is disposed in designated disposal areas and bins. These wastes are then managed by the management according to their waste management procedures.

In our office, waste such as paper is recycled to minimize waste generation. Efforts are also made to maximize the reuse of items and minimize the use of consumables, contributing to a reduction in waste generation.

Our Performance

Non-Hazardous Waste Generated (Tons)	FY2025	FY2024
Singapore	100.80	55.35
China	NA ⁽¹⁵⁾	NA ⁽¹⁵⁾
Total	100.80	55.35

In FY2025, the Group enhanced its waste monitoring processes to improve the accuracy of waste data collection. As a result, the reported total waste generated for the year increased by 82%. This increase is primarily attributable to improvements in measurement accuracy and the inclusion of one off operational activities, rather than a deterioration in the Group's waste management performance.

(15) Waste data from the China operation were not available for disclosure in FY2025 and FY2024.

ENVIRONMENT – WASTE

During the year, the Group implemented actual weight based measurements to capture waste generation more accurately. In prior years, waste quantities were estimated using proxy methodologies based on historical waste data and sales information. The adoption of a weighing system in FY2025 led to higher reported waste figures, reflecting a more precise capture of waste generated. In addition, FY2025 data includes waste from restaurant dining and bar areas that were previously excluded from the measurement scope. As such, year on year comparability may be affected by enhancements in data coverage and measurement methodology.

In practice, the waste collected at the premises also includes waste generated by other tenants within the building, making it difficult to isolate waste attributable solely to the Group. As the Group occupies a relatively small office area and generates minimal waste, the use of proxy estimation methods, such as allocation based on floor area, may not accurately reflect the Group's actual waste generation.

Our Target

FY2025 is the third year that the Group has identified and collected waste generated data. The Group will progressively improve the accuracy and completeness of the waste generation data by implementing actual weight-based measurements for the data collection.

GRI CONTENT INDEX

Statement of use	The Group has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

Category	Disclosure	Description	Page Reference
GRI 2: General Disclosures 2021	2-1	Organisational details	Page 175
	2-2	Entities included in the organisation's sustainability reporting	Page 174
	2-3	Reporting period, frequency and contact point	Page 174
	2-4	Restatements of information	Page 174
	2-5	External Assurance	Page 174
	2-6	Activities, value chain and other business relationships	Pages 175
	2-7	Employees	Pages 185-186
	2-9	Governance structure and composition	Page 176
	2-10	Nomination and selection of the highest governance body	Pages 122-133
	2-11	Chair of the highest governance body	Pages 121-122
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 113
	2-13	Delegation of responsibility for managing impacts	Page 114
	2-14	Role of the highest governance body in sustainability reporting	Page 176
	2-15	Conflicts of interest	Page 113
	2-16	Communication of critical concerns	Pages 143-145
	2-17	Collective knowledge of the highest governance body	Page 144
	2-18	Evaluation of the performance of the highest governance body	Pages 133-134
	2-19	Remuneration policies	Pages 134-135
	2-20	Process to determine remuneration	Pages 136-137
	2-21	Annual total compensation ratio	Pages 137-138
	2-22	Statement on sustainable development strategy	Page 176
	2-23	Policy commitments	Pages 176-180
	2-24	Embedding policy commitments	Pages 176-180
	2-25	Processes to remediate negative impacts	Pages 142-143
	2-26	Mechanisms for seeking advice and raising concerns	Pages 142-143
	2-27	Compliance with laws and regulations	Page 184
	2-28	Membership associations	Not Applicable
	2-29	Approach to stakeholder engagement	Page 177
	2-30	Collective bargaining agreements	Not Applicable

GRI CONTENT INDEX

Category	Disclosure	Description	Page Reference and Remarks
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pages 178-180
	3-2	List of material topics	Pages 178-180
	3-3	Management of Material Topics	Pages 182-200
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Page 182
	201-4	Financial assistance received from government	Page 182
GRI 302: Energy	302-1	Energy consumption within the organisation	Page 195
	302-4	Energy intensity	Page 196
GRI 303: Water & Effluents	303-5	Water consumption	Pages 197-198
GRI 305: Emissions	305-1	Direct (Scope 1) Emission	Page 193
	305-2	Energy Indirect (Scope 2) GHG Emission	Pages 195-196
	305-4	GHG Emission Intensity	Pages 193-194
GRI 306: Waste 2020	306-2	Waste by type and disposal method	Pages 199-200
GRI 401: Employment	401-1	New employee hires and employee turnover	Pages 185-186
GRI 416: Customer Health & Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 187
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 188

Pavillon Holdings Ltd.

Company Registration No. 199905141N

Block 1002 Tai Seng Avenue
#01-2536, Singapore 534409

Tel: 65 64876182 • **Fax:** 65 64876183