

**PAVILLON HOLDINGS LTD.**

(Company Registration No. 199905141N)

(Incorporated in Singapore)

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**UPDATE ON THE COMPANY BUSINESS AND OPERATIONS ARISING FROM COVID-19 OUTBREAK**

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The Board of Directors (the “**Board**”) of Pavillon Holdings Limited (the “**Company**” or together with its subsidiary, the “**Group**”) refers to the announcements made by the Company of its full year financial results, Annual Report 2019, and responses to Shareholders’ questions released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 26 February 2020, 5 May 2020 and 27 May 2020 respectively.

The Board wishes to provide the additional information in response to the SGX-ST’s query as follow: -

**Query 1:**

We refer to the Company’s announcements on 26 Feb 2020, 5 May 2020 and 27 May 2020 regarding - the Company’s financial results for the financial year ended 31 Dec 2019 (“**FY2019**”); FY2019 Annual Report, and responses to shareholders’ queries, respectively (“**Announcements**”). The disclosures in these Announcements do not explicitly address shareholders’ queries on how significantly the Company expects its balance sheet, financial position and cash flow to be affected. For instance, the Company disclosed on 27 May 2020, that the “F&B business is badly affected [and] our revenue in Q1 has reduced by more than 20%” when Q1FY2020 (ended 31 Mar 2020) precedes the Singapore circuit breaker measures implemented on 7 April 2020. With reference to SGX’s Regulatory Column on “What SGX expects of issuers’ disclosures during COVID-19” dated 22 Apr 2020, please therefore elaborate on the impact of the Covid-19 pandemic on the Company’s operations and financials. Please consider the questions in the Regulatory Column that are likely to be considered material for investors and address them in a SGXNET announcement.

**Company’s Response to Query 1:**

**1. Impact of COVID-19 on the company’s operations**

The Company’s F&B business revenue has decreased by more than 20% for the first quarter of 2020 as compared to the first quarter of 2019. This was mainly due to the COVID-19 outbreak and the various safe distancing measurements introduced by the authority since January 2020.

Furthermore, the Circuit Breaker which kicked in from early April 2020 further prohibited dining-in, which further soften the April’s and May’s revenue by more than 70% year on year.

Although the company had since worked with various food delivery platforms and service providers, the self-pickup and home delivery revenue cannot compensate for the revenue lost from the dining-in customers.

The Company has implemented various cost-saving measures to mitigate the COVID-19 impact, these include but not limited to having staff taking no-paid leave, job elimination, and salary reduction, etc.

**2. Compliance with COVID-19 restrictions**

The Company did not breach any COVID-19 restrictions as of the date of this announcement.

Furthermore, to the best of our knowledge, the company is not aware of any of its customers and staff who have been infected with COVID-19.

**3. Impact of COVID-19 on the company's earnings prospects**

The Company had not issued any prospect statements previously. Revenue for the second quarter is expected to drop by more than 70%. Operationally, the Company does not expect to be profitable for the financial year ending 31 December 2020.

**4. Impact of COVID-19 on company's liquidity**

There are no material uncertainty concerning the Company's ability to fulfill its near-term obligations.

**5. Impact of COVID-19 on company's balance sheet**

Most of the Company's investments are in China, and mainly at the development stage. Barring any unforeseen circumstances, the company does not expect material impairments to its assets.

There are also no material changes to capital expenditure previously planned for.

**6. Impact of COVID-19 on company's contractual obligations**

The Company has received various supports from landlords and government.

Apart from the above mentioned, the Company or its counter-parties have not exercised temporary relief, force majeure clauses, or termination of contractual obligations for material contracts.

**7. Threats to viability**

Barring any unforeseen circumstances, and taking into the Company's cash flow status and various forms of support from the government, and also the implemented cost-cutting measures, the Company does not expect the impact of the COVID-19 to affect its ability to fulfill its near-term obligations and operate as a going concern.

**Business updates**

The Company will continue to closely monitor the situation of the COVID-19 pandemic and shall respond according to the evolving situation with appropriate measures.

The Company will provide more updates in our coming mid-year results in August 2020.

**BY ORDER OF THE BOARD**

**Lee Tong Soon**  
**Managing Director**

**12 June 2020**