

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)

(Incorporated in Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Pavillon Holdings Ltd. (the “**Company**”) has been placed on the watch-list due to the Minimum Trading Price Entry Criterion since 3 March 2016.

Pursuant to Rule 1313(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors (the “**Board**”) of the Company wishes to provide the following updates in respect to the financial position of the Company for the first quarter ended 31 March 2016.

Financial position

For the first quarter ended 31 March 2016 (“**1Q2016**”), the Company recorded total revenue of S\$4.0 million as compared to total revenue of S\$5.3 million in corresponding period of the prior year. The decrease in total revenue was mainly due to the disposal of two (2) restaurants in Shanghai, People's Republic of China in early January 2016 (the “**Disposal**”).

Revenue	1Q2016	1Q2015	Variance	
	S\$'000	S\$'000	S\$'000	%
Restaurant	3,786,550	5,229,892	(1,443,342)	(27.6)
Management services	48,688	32,712	15,976	48.8
Equipment leasing	201,558	-	201,558	N/A
Total revenue	4,036,796	5,262,604	(1,225,808)	(23.3)

The revenue from the restaurant operations registered a decline of 27.6% of S\$1.4 million in the first quarter of 2016 due to lower sales as a result of the Disposal.

Gross Profit	1Q2016	1Q2015	Variance	
	S\$'000	S\$'000	S\$'000	%
Restaurant	2,463,795	3,444,292	(980,497)	(28.5)
Management services	48,688	32,712	15,976	48.8
Equipment leasing	201,558	-	201,558	N/A
Total gross profit	2,714,041	3,477,004	(762,963)	(21.9)

Overall gross profit was lower due primarily to lower revenue.

	1Q2016	1Q2015	Variance	
	S\$'000	S\$'000	S\$'000	%
Employee benefits expenses	1,867,379	2,420,987	(553,608)	(22.9)
Other expenses	(469,758)	1,332,777	(1,802,535)	(135.2)
Net profit before taxation	1,316,420	(276,760)	1,593,180	(575.7)

Employee benefits expenses decreased by approximately S\$0.6 million mainly due to the Disposal and lower medical expenses.

Other expenses decreased by approximately S\$1.8 million mainly due to S\$1.3 million disposal gain arising from the Disposal.

The Company achieved a net profit before taxation of S\$1.3 million as compared to net loss before taxation of S\$0.3 million for the corresponding period in prior year mainly due to disposal gain arising from the Disposal.

Future direction and other material development

There are no material developments that may have a significant impact on the financial position of the Company or any other updates on its future direction.

The Board wishes to inform that the Company is actively considering various options to meet the requirements of Rule 1314(2) of the Listing Manual of SGX-ST within 36 months from 3 March 2016 and would update the shareholders in due course.

By Order of the Board

Dr John Chen Seow Phun
Executive Chairman

31 May 2016