

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)
(Incorporated in Singapore)

CLARIFICATION ANNOUNCEMENT ON ACQUISITION OF EQUITY INTEREST IN A JOINT VENTURE COMPANY IN PEOPLE'S REPUBLIC OF CHINA

The Board of Directors (the "**Board**") of Pavillon Holdings Ltd. (the "**Company**") refers to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") in its email of 6 September 2017 relating to the announcement made by the Company on 30 August 2017 (Announcement Reference: SG170830OTHRBM8S) in relation to acquisition of equity interest in a joint venture company in People's Republic of China.

The Board wishes to provide clarification as follows:-

SGX-ST's Query:

Pursuant to Listing Rule 704(16)(c), please provide the information required by Listing Rules 1010(3) and (5) for the acquisition of the additional 50% equity interest in Fengchi IOT Management Co. Ltd. (丰驰物联网管理有限公司).

Company's Response:

Aggregate value of the consideration was nil as Fengchi IOT Management Co. Ltd. had not commenced operation when the acquisition was negotiated.

Net tangible asset value was nil and there was no valuation commissioned by the Company in view that Fengchi IOT Management Co. Ltd. had not commenced operation and the shareholders had not injected any share capital when the acquisition was negotiated.

By Order of the Board

Dr John Chen Seow Phun
Executive Chairman

Date: 7 September 2017