

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

The Board of Directors (the “**Board**”) of Pavillon Holdings Ltd. (the “**Company**”) wishes to announce the following transactions occurred during the six months financial period ended 31 December 2022 pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”):

1. INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY

The Company had incorporated a wholly-owned subsidiary in Singapore known as “Pavillon Global Pte. Ltd.” (“**Pavillon Global**”) with an initial issued and paid-up share capital of SGD10,000.00 on 20 September 2022. Pavillon Global is principally engaged in trading, distribution, import and export of food products.

The aforementioned transaction was financed through internal resources and is not expected to have any material impact on the Group’s earnings per share and net tangible assets per share for the financial year ended 31 December 2022.

None of the Directors or substantial shareholders of the Company have any interest, directly or indirectly, in the said transaction save for their interest arising by way of their shareholdings and/or directorships, as the case may be, in the above transaction.

An announcement relating to incorporation of a wholly-owned subsidiary was released on 20 September 2022.

2. CAPITAL REDUCTION OF A SUBSIDIARY

The Company’s subsidiary, Tianjin Yixing Intelligent Washing Technology Co., Ltd. (formerly known as State Research Pavillon Finance Leasing Co., Ltd.) (“Tianjin Yixing”) had on 14 November 2022 completed a capital reduction exercise, as approved by the relevant Administration for Industry and Commerce in the People’s Republic of China (“Capital Reduction Exercise”). The registered capital of Tianjin Yixing was reduced from USD30 million to USD6 million.

The proportion of ownership interest of the Company in Tianjin Yixing remains unchanged before and after the Capital Reduction Exercise which the Company and Pavillon Financial Leasing Co., Ltd (which the Company has 75.98% equity interest) each holds 50% equity interest. There was no return of capital arising from the Capital Reduction Exercise as it was a reduction of registered capital and not paid-up capital in Tianjin Yixing.

The Capital Reduction Exercise is not expected to have any material impact on the Group’s earnings per share and net tangible assets per share for the financial year ended 31 December 2022.

None of the Directors or substantial shareholders of the Company have any interest, directly or indirectly, in the said transaction save for their interest arising by way of their shareholdings and/or directorships, as the case may be, in the above transaction.

An announcement relating to the Capital Reduction Exercise was released on 21 November 2022.

By Order of the Board

Dr John Chen Seow Phun
Executive Chairman

23 February 2023