

PAVILLON HOLDINGS LTD.
(Company Registration No. 199905141N)

SIGNING OF SALE AND LEASEBACK AGREEMENT WITH HAOKE TECHNOLOGY CO., LTD.

The Board of Directors of Pavillon Holdings Ltd. (the "**Company**") wishes to announce that the Company's wholly-owned subsidiary, Pavillon Financial Leasing Co., Ltd ("**PFLC**") has entered into a sale and leaseback agreement ("**Sale And Leaseback Agreement**") with Haoke Technology Co., Ltd. ("**Haoke**").

Pursuant to the Sale and Leaseback Agreement, PFLC will purchase the equipment ("**Equipment**") from Haoke for a consideration of RMB20 million (equivalent to S\$4,393,000). Concurrently, Haoke shall also pay a one-off service fee of RMB2 million (equivalent to S\$439,300) to PFLC and rent the Equipment from PFLC paying quarterly rent of RMB540,000 (equivalent to S\$118,600), totaling RMB6.48 million (equivalent to S\$1,423,200) for three (3) years). Haoke shall repurchase the Equipment from PFLC at RMB20 million after the expiration of the Sale and Leaseback Agreement. The estimated IRR of the project is 15.8%.

The aforesaid transaction is funded through internal resources and the transaction is expected to have positive impact on the Company's net tangible assets and earnings per share for the financial year ending 31 December 2015.

None of the Company's Directors or Controlling Shareholders or Substantial Shareholder of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Dr John Chen Seow Phun
Executive Chairman

Date: 17 August 2015