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

INVESTMENT IN A JOINT VENTURE COMPANY IN PEOPLE'S REPUBLIC OF CHINA

The Board of Directors ("**Board**") of Pavillon Holdings Ltd. ("**Company**") wishes to announce that its wholly-owned subsidiary, Pavillon Financial Leasing Co., Ltd. (兰亭融资租赁有限公司) ("**PFL**") has incorporated a joint venture company, Fengchi IOT Management Co., Ltd. (丰驰物联网管理有限公司) ("**Fengchi IOT**") in Tianjin, People's Republic of China ("**PRC**") with Fengchi Technology Co., Ltd. (丰驰科技股份有限公司) ("**Fengchi Tech**").

Information on Fengchi Tech

Fengchi Tech is a joint venture company incorporated in PRC with registered share capital of RMB50,000,000, of which 30% is owned by Tianjin Pavillon Assets Management Co., Ltd., wholly-owned subsidiary of the Company and 25% is owned by Tianjin Binhai New Area Changjiang Cultural Assets Trading Center Co., Ltd., a 40% owned joint venture company of the Company.

Information on Fengchi IOT

The principal activity of Fengchi IOT is to provide internet management, internet information technology, electronic technology, technology development in logistics management systems and sales of related products; import and export of goods and technology, warehouse services; agent as inland freight; agent as customs inspection services and logistics advisory services. The registered share capital of Fengchi IOT is RMB90,000,000. The shareholding structure is as follows:-

Joint venture partners	Percentage
PFL	50%
Fengchi Tech	50%

Rationale for the joint venture

The rationale for the joint venture is to collaborate with the joint venture partners to create a competitive edge for the Company's businesses in China from synergies obtained through pooling of the joint venture partner's business resources.

Sources of Funds and Financial Effects

The investment in Fengchi IOT will be funded through internal resources and the transaction is not expected to have a material impact on the consolidated net tangible assets and consolidated earnings per share of the Company for the financial year ending 31 December 2017.

Interest of Directors and Substantial Shareholders

None of the Directors or controlling shareholders or substantial shareholder of the Company has any interest, direct or indirect, in the above transaction save for their shareholdings in the Company.

By Order of the Board

Dr John Chen Seow Phun
Executive Chairman

Date: 3 April 2017