PAVILLON HOLDINGS LTD.
(Company Registration Number 199905141N)

INCREASE IN PAID UP CAPITAL OF FENGCHI IOT MANAGEMENT CO., LTD.

(丰驰物联网管理有限公司)

Pavillon Holdings Ltd. (the "Company") wishes to announce the following:

That Fengchi IOT Management Co., Ltd. (丰驰物联网管理有限公司) ("Fengchi IOT") has increased its paid up capital from current RMB78,000,000 to the registered capital of RMB90,000,000.

Funding and Rationale

The increase in paid up capital is funded through internal resources and is for development of the logistics hub project.

Financial Effects of the Transactions

Both transactions are not expected to have any material impact on the consolidated net tangible assets and consolidated earnings per share of the Company for the financial year ending 31 December 2018.

Interest of Directors and Substantial Shareholders

None of the Directors and, to the best knowledge of the Directors, none of the controlling shareholders or substantial shareholders of the Company, has any interest, direct or indirect, in the above transactions save for their shareholdings in the Company.

By Order of the Board

Dr John Chen Seow Phun

Executive Chairman

Date: 5 October 2018