

ADVENTUS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200301072R)

ENTRY INTO JOINT VENTURE AGREEMENT WITH PANTHERA COMPANY LIMITED, MR. TRAN HOANG ANH TUAN AND MS. NGUYEN THAI DONG HUONG

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Adventus Holdings Limited (the “**Company**”) together with its subsidiaries, (the “**Group**”) wishes to announce that ADV S3 Private Limited (“**ADV S3**”), a wholly-owned subsidiary of the Company, had entered into a joint venture agreement (the “**Joint Venture Agreement**”) with Panthera Company Limited (“**Panthera**”), Mr. Tran Hoang Anh Tuan (“**Mr. Tuan**”) and Ms. Nguyen Thai Dong Huong (“**Ms. Huong**”) on 19th April 2018, to acquire 31B Ngu Hanh Son, Ngu Hanh Son, Danang, Vietnam (the “**Land**”) and to develop a residential apartment on the piece of land with a land area of 3,825m² via AP NHS Danang Joint Stock Company (“**AP NHS**”) (the “**JV**”).

Pursuant to the Joint Venture Agreement, Adv S3 shall acquire 507,150 ordinary shares in the contributed charter capital of AP NHS (the “**Acquisition**”), representing 45% ownership in AP NHS (the “**Transferred Shares**”). In conjunction with the JV, Adv S3 had on 19th April 2018 entered into an agreement (the “**Loan Agreement**”) with Panthera and Ms. Huong, pursuant to which Adv S3 will provide an advance payment of 50.715 billion Vietnam Dong (“**VND**”) (equivalent to approximately US\$2.233 million based on an exchange rate of US\$1.00: VND22,720 and approximately S\$2.925 million based on an exchange rate of US\$1.00: S\$1.31 as at 19th April 2018) to Panthera and Ms. Huong (the “**Advance**”) for the Acquisition of the Transferred Shares. Upon the completion of the conditions listed in the Joint Venture Agreement, Panthera and Ms. Huong will, in accordance with the terms and conditions of the Joint Venture Agreement and Loan Agreement, transfer the Transferred Shares to Adv S3 in repayment of the Advance.

2. DETAILS OF THE JOINT VENTURE

2.1 Business of the JV

The JV will be a special purpose vehicle created for the development and sale of a residential project and is a company incorporated in Vietnam, and has a contributed charter capital of 112.7 billion VND, divided into 1,127,000 ordinary shares in the JV.

The parties intend for the JV to develop an apartment with retail and residential capabilities on the Land (the “**Project**”). The apartment building will consist of minor retail spaces, swimming pool, gym, BBQ and other facilities.

2.2 Capitalisation and Shareholding Proportion of AP NHS

Pursuant to the Joint Venture Agreement, the capitalisation and shareholding proportion of AP NHS following the completion of the transfer of the Transferred Shares shall be as follows:

	Number of shares Pre-Adventus Acquisition (%)	Number of Ordinary Shares in AP NHS after Acquisition	Shareholding proportion in the JV (%) After Acquisition	Capital contribution (VND)
ADV S3	-	507,150	45	50,715,000,000
Panthera	98	608,580	54	60,858,000,000

	Number of shares Pre-Adventus Acquisition (%)	Number of Ordinary Shares in AP NHS after Acquisition	Shareholding proportion in the JV (%) After Acquisition	Capital contribution (VND)
Tuan	1	11,270	1	1,127,000,000
Huong	1	-	-	-
Total:	100	112,700	100	112,700,000,000

*Ms. Huong and Mr. Tuan are partners and shareholders of Panthera.

3. RATIONALE FOR THE PROPOSED INVESTMENT AND THE JOINT VENTURE

The Company believes that the JV is beneficial to the Company and its shareholders as:

- (a) it provides the Company with an opportunity to acquire land located in the prime district of Da Nang, Vietnam and achieve a potential upside through the development of the Land; and
- (b) it will allow the Company to go in the direction of cash generating projects which have shorter turnaround time in comparison to hotel development projects.

4. KEY TERMS OF THE JOINT VENTURE AGREEMENT

4.1 Purchase Consideration

The purchase consideration of 50.715 billion VND (equivalent to approximately US\$2.223 million based on an exchange rate of US\$1.00: VND22,720 and approximately S\$2.925 million based on an exchange rate of US\$1.00: S\$1.31 as at 19th April 2018) for the Acquisition of the Transferred Shares, was arrived at on a willing-buyer, willing-seller basis, taking into account factors such as the market conditions for residential properties in Da Nang, Vietnam, and the location of the Land.

4.2 Development of Project

Upon completion of the Acquisition of the Transferred Shares, AP NHS shall arrange for the construction of the Project, including obtaining all necessary processes, approvals and permits. The total estimated cost for the construction of the Project is 710 billion VND. ADV S3, Panthera, Mr. Tuan and Ms. Huong shall, on a best negotiated effort basis, procure to acquire the maximum possible loans from a commercial bank in Vietnam, through AP NHS, at the prevailing and best negotiated interest rates. In the event of any excess or shortfall from such loans to the total Project costs, such amount of excess or shortfall shall be apportioned accordingly to ADV S3, Panthera and Mr. Tuan in proportion to their shareholding ratios. Any further construction-related costs shall be funded under the Project construction schedule by ADV S3 and Panthera in proportion to their shareholding ratios, unless otherwise agreed by the parties in writing.

4.3 Conditions Precedent

Completion of the JV is subject to, inter alia, the following conditions precedent being satisfied:

- (a) Land Conversion shall be completed no later than 1st April 2019. If the Land Conversion is unsuccessful within this timeline, ADV S3 has the right, by serving a written notice to Panthera, to terminate the Convertible Loan Agreement and this Agreement without making compensations or penalties to Panthera and/or AP NHS;

- (b) AP NHS remains its form as a joint stock company, of which
 - 1. All members of the board of management have resigned from their posts, and a newly-elected board of directors shall consist of five (05) members, of which two (02) individuals will be designated by ADV S3;
 - 2. The following office positions shall, and always, be individual(s) designated by ADV S3:
 - i. one (01) of the two (02) legal representatives, and both of whom shall have the same duties, rights and obligations (hereinafter referred to as "Co-Legal Rep");
 - ii. the Chief Accountant of the Project Company;
 - iii. all authorized signatory(ies) of all bank account(s) of the Project Company;
- (c) AP NHS' Charter shall have been amended to the satisfaction of and duly approved by ADV S3;
- (d) The Land, Land Conversion, minimum Parameters and Residential Project approvals are well suitable for developing the Residential Project in accordance with the Parameters regulated herein Schedule 01;
- (e) AP NHS shall have been free from any financial obligation and/or responsibility to the State Authorities and/or any third party, any dispute and/or claim from any party, or disputes and/or claims arising before the effective share transfer date;
- (f) No Material Adverse Changes shall have occurred;
- (g) ADV S3 has processed all corporate procedures for approving its entrance into the transaction as contemplated;
- (h) Panthera and/or AP NHS shall have fulfilled all Conditions Precedent and all other conditions set out in this Joint Venture Agreement and any other necessary actions to bring this Agreement into fruition;

4.4 Rights of ADV S3

In accordance with the terms and conditions of the Joint Venture Agreement, ADV S3 shall have the following rights:

- (a) after the date of disbursement of the Advance ("**Disbursement Date**") and before the Acquisition of the Transferred Shares:
 - (i) ADV S3 shall have the right to appoint a co-legal representative in AP NHS;
 - (ii) ADV S3 shall have the right to appoint an individual into office as the chief accountant of AP NHS;
 - (iii) ADV S3 shall have the right to appoint any individual(s) as authorised signatory(ies) of all AP NHS's bank account(s); and
 - (iv) any resolution from AP NHS's board of directors and shareholders shall be effective only with the prior consent and duly endorsed written approval of ADV S3's representative(s);

- (b) after the Disbursement Date and after the Acquisition of the Transferred Shares:
- (i) ADV S3 shall have the right to appoint three (2) out of five (5) members of AP NHS's board of directors for the council of members and the other member shall be decided and appointed by Panthera;
 - (ii) the quorum for AP NHS's shareholders' general meeting shall be at least 65% of the total voting shares of AP NHS (i.e. 732,550 shares out of 1,127,000 shares in AP NHS), and all AP NHS's shareholders' resolutions shall be approved with at least 65% of the voting shares of attending AP NHS's shareholders; and
 - (iii) ADV S3 shall have the right to appoint the co-legal representative, if any.

5. FINANCIAL EFFECTS

For the purposes of illustration only, the following is an analysis and illustration of the pro forma financial effects of the Acquisition on the net tangible assets per share (“NTA”) and loss per share (“LPS”) of the Company based on the latest audited consolidated financial results for the financial year ended 31 December 2017.

5.1 NTA

For purely illustrative purposes only, assuming that Acquisition had been effected on 31 December 2017, the effect of the Acquisition on the Group's NTA per share as at 31 December 2017 will be as follows:

	As at 31st December 2017	After Acquisition
NTA (S\$'000)	20,597	20,597
Number of shares ('000)	1,950,619	1,950,619
NTA per share (S\$ cents)	1.06	1.06

5.2 LPS

For purely illustrative purposes only, assuming that the Acquisition had been effected on 1 January 2017, the effect of the Acquisition on the Group's LPS for the financial year ended 31 December 2017 will be as follows:

	As at 1st January 2017	After Acquisition
Net profit/(loss) attributable to shareholders (S\$'000)	(4,272)	(4,272)
Weighted average number of shares ('000)	1,950,619	1,950,619
Loss per share (S\$ cents)	(0.22)	(0.22)

6. RELATIVE FIGURES UNDER RULE 1006

The relative figures for the acquisition computed on the relevant bases set out in Rule 1006 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules") are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared to the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable. Rule 1006 (a) is not applicable to acquisition of assets.
(b)	The net profits attributable to the assets acquired or disposed of compared with the Group's net profits.	Not applicable to the Group. ⁽¹⁾
(c)	The aggregate value of the consideration given or received compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	The consideration of S\$2.925 million constitutes approximately 21.4% of the Group's market capitalisation ⁽²⁾
(d)	The number of equity securities issued by the issuer as a consideration for the acquisition compared with the number of equity securities previously in issue.	Not applicable as no equity securities is issued by the Company in connection with the Acquisition.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil, or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.	Not applicable to the Group.

Notes:

- (1) There will not be any profit or loss attributable to the Group from the Acquisition until the commencement of the Project which is due for completion by end-2021. It is anticipated that there will only be net profits to the Group after about two (2) years of the commencement of sales in relation to the Project.
- (2) The market capitalisation of approximately S\$13.7 million has been calculated on the basis of 1,950,619,331 ordinary shares in the Company in issue multiplied by the volume weighted average price of S\$0.007 of the Company's shares as at 18th April 2018, being the full market day immediately preceding the date of the Joint Venture Agreement (i.e. 19th April 2018) on which such shares were traded on the SGX-ST.

Having regard to the above, as the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 5% but do not exceed 75%, the Acquisition constitutes a 'discloseable transaction' pursuant to Rule 1010 of the Catalist Rules.

7. SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Acquisition and the Project. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Acquisition.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Joint Venture Agreement and Loan Agreement will be made available during the normal business hours at the Company's registered office at 52 Telok Blangah Road #04-01, Telok Blangah House, Singapore 098829 for a period of three (3) months commencing from the date of this announcement.

10. FURTHER ANNOUNCEMENT

The Company will make the relevant announcement(s) in compliance with the Catalist Rules in relation to the Acquisition in due course.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company ("**Directors**") collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Acquisition, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Chin Bay Ching
Chairman and Executive Director
April 19th, 2018.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").*

The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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