

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

**(A) ACQUISITION OF 51% SHAREHOLDING IN HOI AN PEARL JOINT STOCK COMPANY
(B) 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 S2 Private Limited ("**Adv S2**"), a wholly-owned subsidiary of the Company, has entered into a joint venture agreement ("**Joint Venture Agreement**") with Panthera Company Limited ("**Panthera**"), Mr. Tran Hoang Anh Tuan ("**Mr. Tuan**") and Ms. Nguyen Thai Dong Huong ("**Ms. Huong**") on 05 January 2018, to operate Hoi An Pearl Joint Stock Company ("**HAP**") and to develop a resort on a piece of land with a land area of 11,797.6 m² at Khoi Xuyen Trung, Phuong Cam Nam, Hoi An, Quang Nam Province, Vietnam (the "**Land**") ("**JV**").

As at the date of this Announcement, Panthera and Ms. Huong and/or their nominees are in the process of acquiring the entire contributed charter capital of HAP, comprising 2 million ordinary shares ("**Initial Acquisition**"). Pursuant to the Joint Venture Agreement, Adv S2 shall acquire 1.02 million ordinary shares in the contributed charter capital of HAP ("**Acquisition**"), representing 51% ownership in HAP (the "**Transferred Shares**"). In conjunction with the JV, Adv S2 has on 05 January 2018 entered into an agreement ("**Loan Agreement**") with Panthera and Ms. Huong, pursuant to which Adv S2 will provide an advance payment of 56.1 billion Vietnam Dong ("**VND**") (equivalent to approximately US\$2.474 million based on an exchange rate of US\$1.00: VND22,700 and approximately S\$3.28 million based on an exchange rate of US\$1.00: S\$1.3363 as at 5th January 2018) to Panthera and Ms. Huong ("**Advance**") for the Acquisition of the Transferred Shares. Upon the completion of the Initial Acquisition, 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 S2 in repayment of the Advance.

2. DETAILS OF THE JOINT VENTURE

2.1 Business of HAP

HAP is a company incorporated in Vietnam, and has a contributed charter capital of 20 billion VND, divided into 2 million ordinary shares in HAP. The existing shareholders of HAP are not related to Adv S2 or any party to the Joint Venture Agreement.

The parties intend for HAP to develop a resort with retail and commercial capabilities on the Land ("**Project**"). The resort will consist of hotel rooms and villas, retail spaces and facilities for meetings, conferences and exhibitions.

2.2 Capitalisation and Shareholding Proportion of HAP

Pursuant to the Joint Venture Agreement, the capitalisation and shareholding proportion of HAP 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 HAP After Acquisition	Shareholding proportion in HAP (%) After Acquisition	Capital contribution (VND)
Adv S2	-	1,020,000	51	1,020,000,000
Mr. Tuan*	1	20,000	1	20,000,000
Panthera	98	960,000	48	960,000,000
Ms Huong*	1	-	-	-
Total:	100	2,000,000	100	20,000,000,000

*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 the opportunity to acquire land located in the prime district of Hoi An, Vietnam and achieve a potential upside through the development of the Land; and
- (b) it will allow the Company to expand into the hotel sector in Vietnam.

4. **KEY TERMS OF THE JOINT VENTURE AGREEMENT**

4.1 Purchase Consideration

The purchase consideration of 56.1 billion VND (equivalent to approximately US\$2.474 million based on an exchange rate of US\$1.00: VND22,700 and approximately S\$3.28 million based on an exchange rate of US\$1.00: S\$1.3363 as at 5th January 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 commercial properties in Hoi An, Vietnam, and the location of the Land.

4.2 Development of Project

Upon completion of the Acquisition of the Transferred Shares, HAP 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 242 billion VND. Adv S2, 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 HAP, 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 S2, Panthera and Mr. Tuan in proportion to their shareholding ratios. Any further related and construction costs shall be funded under the Project construction schedule by Adv S2, Panthera and Mr. Tuan 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) Panthera, Mr. Tuan and/or Ms. Huong shall ensure that the mode of payment for the use of the Land is changed from a "Land leased by the State for which the land rent is paid annually" to a "Land leased by the State for which the Land rent is a lump sum payment" ("**Land Conversion**") by 5 January 2018 and no later than 31 January 2018;
- (b) upon the completion of the Land Conversion, in which the land use right certificate as prescribed under the Joint Venture Agreement becomes an acceptable asset mortgageable to banks for loans, Adv S2 shall release the full sum of the Advance;
- (c) all shareholders of HAP shall have completed their contribution to the contributed capital of HAP, and in the case of Adv S2, through Acquisition of the Transferred Shares;
- (d) the amendments to HAP's charter shall be to the satisfaction of and is duly approved by Adv S2;
- (e) the Land, Land Conversion, minimum urban planning parameters for developing the Project as stated in the Joint Venture Agreement, and approvals in relation to the Project are well suitable for the development of the Project in accordance with the terms of the Joint Venture Agreement;
- (f) at the time of the registration of the Transferred Shares to Adv S2, HAP shall have been free from any financial obligation/responsibility to the authorities and/or any third party, any dispute and/or claim from any party;
- (g) the Land shall have been completely transferred to HAP without any encumbrance, and there is no order and/or decision issued by relevant authorities of Vietnam on the revocation or cancellation in whole or in part on its rights to the Land, the Project and/or HAP's enterprise registration certificate and investment certificate up to the date on which the transfer of the Transferred Shares to Adv S2 is completed; and

As at the date of this Announcement, the Land Conversion has been completed.

4.4 Rights of Adv S2

In accordance with the terms and conditions of the Joint Venture Agreement, Adv S2 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 S2 shall have the right to appoint a co-legal representative in HAP;
 - (ii) Adv S2 shall have the right to appoint an individual into office as the chief accountant of HAP;
 - (iii) Adv S2 shall have the right to appoint any individual(s) as authorised signatory(ies) of all HAP's bank account(s); and
 - (iv) any resolution from HAP's board of directors and shareholders shall be effective only with the prior consent and duly endorsed written approval of Adv S2's representative(s);

- (b) after the Disbursement Date and after the Acquisition of the Transferred Shares:
- (i) Adv S2 shall have the right to appoint three (3) out of five (5) members of HAP's board of directors for the council of members and the other member shall be decided and appointed by Panthera, Mr. Tuan and Ms. Huong;
 - (ii) the quorum for HAP's shareholders' general meeting shall be at least 51% of the total voting shares of HAP (i.e 1.02 million shares out of 2 million shares in HAP), and all HAP's shareholders' resolutions shall be approved with at least 51% of the voting shares of attending HAP's shareholders; and
 - (iii) Adv S2 shall have the right to appoint the legal representative and a co-legal representative, if any.

5. FINANCIAL EFFECTS

For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Acquisition on the net tangible assets per share ("**NTA**") and earnings per share ("**EPS**") of the Company based on the latest audited consolidated financial results for the financial year ending 31 December 2016.

5.1 NTA

For purely illustrative purposes only, assuming that Acquisition had been effected on 31 December 2016, the effect of the Acquisition on the Group's NTA per share as at 31 December 2016 will be as follows:

	As at 31st December 2016	After Acquisition
NTA (S\$'000)	25,868	25,868
Number of shares ('000)	1,950,619	1,950,619
NTA per share (S\$ cents)	1.33	1.33

5.2 EPS

For purely illustrative purposes only, assuming that the Acquisition had been effected on 1 January 2016, the effect of the Acquisition on the Group's EPS for the financial year ended 31 December 2016 will be as follows:

	As at 1st January 2016	After Acquisition
Net profit attributable to shareholders (S\$'000)	4,414	4,414
Weighted average number of shares ('000)	1,950,619	1,950,619
Profit per share (S\$ cents)	0.23	0.23

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\$3.28 million constitutes approximately 12.01% 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 mid-2019. It is anticipated that there will only be net profits to the Group after about one (1) to two (2) years of the commencement of business in relation to the Project.
- (2) The market capitalisation of approximately S\$27.31 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\$0.014 of the Company's shares as at 3 January 2018, being the full market day immediately preceding the date of the Joint Venture Agreement (i.e. 4 January 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 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
January 08, 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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