



Adventus
Adventus Holdings Limited

Annual
Report
2022

CORPORATE INFORMATION

REGISTERED OFFICE

52 Telok Blangah Road
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Singapore 098829
Tel: (65) 6382 2110
Fax: (65) 6382 2420

BOARD OF DIRECTORS

Mr Chin Bay Ching (Chairman)
Mr Chin Rui Xiang
Mr Gersom G Vetuz
Mr Loh Eu Tse Derek
Mr Wong Loke Tan

AUDIT COMMITTEE

Mr Gersom G Vetuz (Chairman)
Mr Loh Eu Tse Derek
Mr Wong Loke Tan

NOMINATING COMMITTEE

Mr Loh Eu Tse Derek (Chairman)
Mr Gersom G Vetuz
Mr Wong Loke Tan

REMUNERATION COMMITTEE

Mr Wong Loke Tan (Chairman)
Mr Gersom G Vetuz
Mr Loh Eu Tse Derek

SECRETARY

Ms Lee Bee Fong

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898
Tel: +65 6236 3333
Fax: +65 6236 4399
Email: info@sg.tricorglobal.com

BANKERS

DBS Bank Ltd
United Overseas Bank Limited

INDEPENDENT AUDITOR

CLA Global TS Public Accounting Corporation
(formerly Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants
80 Robinson Road
#25-00
Singapore 068898
Director-in-charge: Ms Chan Siew Ting
(Appointed since financial year ended 31 December 2020)

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
36 Robinson Road, #10-06, City House,
Singapore 068877
sponsor@rhtgoc.com
Registered Professional: Mr Khong Choun Mun

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

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., 36 Robinson Road, #10-06, City House, Singapore 068877, sponsor@rhtgoc.com.



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CHAIRMAN'S MESSAGE

On behalf of my fellow board members, I present the annual report for Adventus Holdings Limited and its subsidiaries (the “Company” or collectively the “Group”) for the financial year ended 31 December 2022 (“FY2022”).

DEAR SHAREHOLDERS,

On behalf of my fellow board members, it is my pleasure to present the annual report for Adventus Holdings Limited and its subsidiaries (the “Company” or collectively the “Group”) for the financial year ended 31 December 2022 (“FY2022”).

Since 2017 the Group has been focused on the construction of two 5-star hotel projects in Vietnam. As we reflect on the past few years, it is undeniable that the COVID-19 Pandemic has disrupted the global economy and brought unprecedented challenges to the Group. Despite these challenges, the Group has remained resilient and spent effort to boost up construction works for the 2 projects even if it was at a slower pace.

At the same time, we made every effort to ensure the safety and well-being of our employees. We recognise that our employees are our most valuable asset, and we are grateful for their dedication and hard work. Besides, the Group has exercised great diligence in managing the Group’s resources in absence of revenue streams.

As the world begins to adapt to living alongside COVID-19, we are hopeful for the future. While global travel has yet to return to pre-pandemic levels, there was an encouraging increase in tourist arrivals to Vietnam. To capitalise on this, the Group is well-positioned to announce that the hotel in Hoi An, Vietnam has commenced operations starting from 27 March 2023, under the brand name Bay Resorts Hoi An. The Group's other hotel is also scheduled to commence operations by end of 2nd Quarter 2023 under the brand name Bay Capital Da Nang. Both hotels are managed by the Group's newly acquired subsidiary Bay Hospitality Pte. Ltd. ("BHPL").

Looking ahead, the Group recognises that the recovery of the travel and tourism industry may be subject to challenges such as varying international flight capacities and border measures. Moreover, we are mindful of the potential impact of economic uncertainties, inflationary pressures, and manpower issues, all of which could present significant challenges for the Group's business.

Despite these potential headwinds, we remain cautiously optimistic about our journey towards the growth of our business. We are committed to remaining agile and adaptable to evolving market conditions, while prioritizing the safety and well-being of our employees and guests.

Apart from its existing business and hospitality business in Vietnam, the Group will actively explore new business opportunities. As always, we approach all potential business ventures with prudence and caution, leveraging our expertise and insights to make informed decisions that benefit the Group. The Company will keep shareholders informed of developments via announcements as necessary.

I am delighted to be appointed to the Board earlier this year. As the Chairman, I look forward to working with the dynamic team at the Group to propel the Group's business to new heights. In addition, Mr Gersom G Vetuz has decided to retire from the Board after the 2023 AGM. On behalf of all shareholders, I thank Mr Vetuz for his wise counsel and valuable contributions to the Board and the Group during his tenure and wish him all the best for the future.

I would also like to express my sincere appreciation to every one of our shareholders and business partners for their unwavering support and confidence towards the future of the Group. It is your constant trust and commitment that drive us to weather the challenges and emerge stronger in this new normal.

Chin Bay Ching

Executive Chairman

BOARD OF DIRECTORS

Mr Chin Bay Ching *Chairman and Executive Director*

Mr Chin was appointed as Chairman and Executive Director of the Company on 26 January 2023.

Mr Chin has an extensive career with over 30 years of experience in the property development and hospitality sectors. He is a developer of various property development projects in Singapore, Australia, Malaysia and China. These development projects include residential housing, condominiums, golf courses and hotels. Mr Chin's substantial experience in property development, management and investment will enable the Group to capitalise on new opportunities in these areas.

Mr Chin has a Professional Diploma in Quantity Surveying from the Royal Melbourne Institute of Technology, Australia.

Mr Chin Rui Xiang *Executive Director*

Mr Chin was appointed as Executive Director of the Company on 14 March 2018. He has work experiences in investment companies, construction companies, and hotel management companies. He has used these expertise to secure and complete the two hotels that are currently majority owned by the Group.

He is well versed in business development as well as deal structuring to safeguard the listed companies' interests.

Mr Chin graduated with a Bachelor of Building and Project Management programme (BBPM) which is a partnership program between Singapore University of Social Sciences and BCA Academy.

Mr Gersom G Vetuz *Non-Executive Independent Director*

Mr Vetuz was appointed as Non-Executive Independent Director of the Company on 15 September 2008. He is presently the Chairman of the Audit Committee and is a member of the Remuneration and Nominating Committees.

Mr Vetuz has more than 41 years of experience in public accounting firms in Singapore, and extensive experience in financial audits of multinational companies, public listed companies and local companies in various industries. Mr Vetuz was previously an Audit Principal at Deloitte & Touche Singapore and a Partner at Moore Stephens LLP, Singapore.

Mr Vetuz obtained a Bachelor's degree in Business Administration (Major in Accounting) in 1965 from the University of the East, Manila, Philippines. He qualified as a Certified Public Accountant in the Philippines in 1967. In 1982, he attended the Executive Program in Business Administration at Columbia University, New York, USA.

BOARD OF DIRECTORS

Mr Derek Loh Eu Tse *Non-Executive Independent Director*

Mr Loh was appointed as Non-Executive Independent Director of the Company on 25 July 2014 and re-designated to Non-Executive Independent Chairman on 10 September 2021. Mr Loh was re-designated to Non-Executive Independent Director on 26 January 2023. He remains as Chairman of Nominating Committee and a member of the Audit and Remuneration Committees.

Mr Loh graduated from University of Cambridge with Honours in 1990. He obtained his barrister-at-law in England before proceeding to his call as an advocate and solicitor in Singapore in 1993. Since then he has been in active practice in the area of construction and engineering law. He is presently practicing in TSMP Law Corporation Singapore as an Executive Director. He holds directorships in other listed companies including Kingsmen Creatives Ltd, Memiontec Holdings Ltd and Vibrant Group Limited.

Mr Wong Loke Tan *Non-Executive Independent Director*

Mr Wong was appointed as Non-Executive Independent Director of the Company on 11 May 2017. He chairs the Remuneration Committee and is a member of the Audit and Nominating Committees.

Mr Wong is a senior banker with over 30 years of banking experience in international banks and Singapore's longest established bank, OCBC Bank. His experience and expertise span across syndicated loans, project financing, structured trade financing and mergers and acquisitions. He is particularly well known in the business community for his extensive network and strong rapport with Singapore Small and Medium-sized Enterprises ("SMEs"). Mr Wong remains active in the SMEs and Corporate business circle.

Mr Wong left banking in June 2016 as a Senior Vice President with Maybank. Currently, he sits on the Board of listed companies in Singapore and abroad, including Koyo International Limited, Union Steel Holdings Limited, K2 F&B Holdings Limited and International Cement Group Limited.

Mr Wong is dedicated to contributing to civic organizations such as the Saint Gabriel's School Management Committee. In 2018, he was awarded the Silver Medallion Service Award by the Ministry of Education in recognition of his contributions and services.

Mr Wong holds a Master of Business Administration degree from Brunel University, London and an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors.

KEY MANAGEMENT

Mr Wong Sonny Wing Doug *Project Director*

Mr Wong was appointed as Project Director of the Company on 14 March 2018.

Mr Wong has professional experience in engineering consultancy and real estate development with companies of diverse organisational and operating environments. He was able to build his skillset in project management and corporate governance at his last tenure as Deputy Project Director for M+S Pte Ltd, the Malaysian-Singapore JV company formed to manage the development of two internationally recognised, award-winning, mixed-use developments in Singapore with combined gross development value (GDV) of S\$11 billion.

Mr Wong obtained a Bachelor Degree of Applied Science in Geological Engineering from the University of British Columbia, Canada.

Mr Yau Woon Soon *Chief Financial Officer*

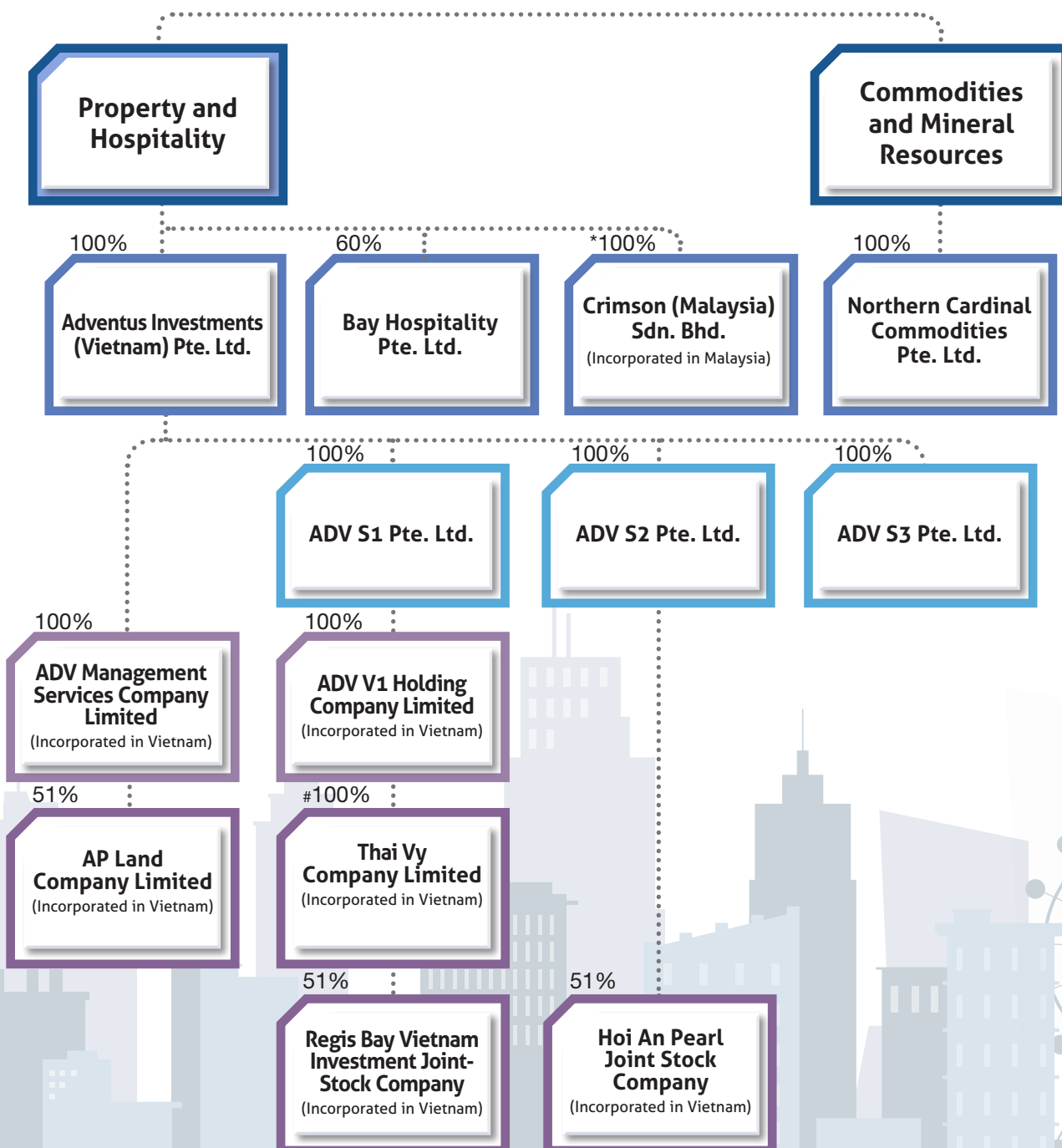
Mr. Yau Woon Soon joined the Company as the Chief Financial Officer on 18 August 2020. He is responsible for the overall financial, accounting, compliance reporting and internal control functions of our Group. He is also in-charge of liaising with and reporting to our Audit Committee on the Group's accounting and financial matters. Mr. Yau started his career as an auditor with Ernst & Young and subsequently joined Shell Business Operations as a management accountant.

Mr. Yau is a non-practising member of the Association of Chartered Certified Accountants.

CORPORATE STRUCTURE

Adventus

Adventus Holdings Limited



* Incorporated on 25 January 2023
 # Acquired on 11 April 2023



CORPORATE GOVERNANCE REPORT

The Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) requires an issuer to describe, in its annual report, its corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance (“**Code**”). An issuer must comply with the principles and provisions of the Code. Where an issuer’s practices vary from any provisions of the Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

The board of directors (“**Board**”) of Adventus Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) is committed to maintaining a high standard of corporate governance and transparency to protect the interests of shareholders, employees and other stakeholders, and to promote investors’ confidence. In line with its commitment, the Company regularly reviews its corporate governance policies and practices to strive to fully comply with the revised Code of Corporate Governance 2018 (“**2018 Code**”) and the accompanying Practice Guidance and where applicable, the Catalist Rules.

In accordance with Rule 710 of the Catalist Rules, this report (“**CG Report**”) sets out the Company’s corporate governance practices with specific reference to the principles and the provisions of the 2018 Code, which was set out in the Catalist Rules on 6 August 2018, following from the publication of the 2018 Code by the Monetary Authority of Singapore. The Company believes that it has largely complied with the spirit and intent of the 2018 Code and in areas where the Company’s practices have deviated from the 2018 Code, the rationale for the same is provided herein.

The 2018 Code is divided into five main sections, namely:

- A. BOARD MATTERS**
- B. REMUNERATION MATTERS**
- C. ACCOUNTABILITY AND AUDIT**
- D. SHAREHOLDER RIGHTS AND ENGAGEMENT**
- E. MANAGING STAKEHOLDERS RELATIONSHIPS**

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is responsible for setting the strategic, performance and business directions of the Group and is collectively responsible for its long-term success. The Board provides oversight to Management and is accountable to shareholders. Management also plays a pivotal role in providing Board members with complete, adequate and timely information to assist the directors in the fulfilment of their responsibilities.

During the financial year ended 31 December 2022 (“**FY2022**”), apart from its statutory duties, the Board performed the following:

- reviewing and setting the strategic direction and long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- reviewing and approving the Group’s annual budgets, major funding proposals, investment and divestment proposals and interested person transactions of a material nature;
- overseeing the business affairs of the Company and monitor the performance of the management;
- establishing and overseeing the processes of evaluating the adequacy of internal controls, risk management and financial reporting and compliance;

CORPORATE GOVERNANCE REPORT

- setting the Group's values and standards of conduct and ensuring the obligations to shareholders and other stakeholders are understood and duly met;
- considering sustainability issues including the integration of sustainability-related matters and the monitoring of sustainability-related risks and opportunities as part of its long-term strategic formulation;
- ensuring the Group's compliance with relevant laws, regulations, policies, directives, guidelines, internal codes of conduct and obligations to shareholders;
- ensuring accurate, adequate and timely reporting to, and communication with shareholders;
- approving all Board appointments or re-appointments and appointments of key management personnel as well as evaluating their performance and reviewing their compensation packages; and
- reviewing and approving the financial results of the Group and the audited financial statements and timely announcements of material transactions.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and is obliged to act in good faith. It works with management, its independent auditors and internal auditors to make objective decisions in the interest of the Group. The directors on the Board have the core competencies and diversity of experience to enable them to contribute effectively. The Board is also supported by three Board committees (as defined below) to facilitate the discharge of its functions to which it was delegated to execute specific areas of the Board responsibilities.

Each director is required to promptly disclose any conflict or potentially conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as it is practicable after the relevant facts have been come to his knowledge. On an annual basis, each director is also required to submit details of his associates for the purpose of monitoring interested person transactions. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest and recuse himself from all deliberations / voting in relation to the matters which he has a conflict of interest in, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he shall abstain from voting in relation to the conflict-related matters.

Provision 1.2: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

Newly appointed director will receive a thorough briefing by existing directors and management of the Company ("Management") on the Group's business, operation and governance practices. In compliance to the amended Catalist Rule 406(3)(a), newly appointed Directors who do not have prior experience as director of a public listed company in Singapore must undergo training courses organized by Singapore Institute of Directors ("SID") as prescribed by the Exchange.

The directors are provided with briefings from time to time and are kept updated on relevant laws and regulations, including directors' duties and responsibilities, corporate governance and developing trends, insider trading and financial reporting standards and are encouraged to attend workshops and seminars to enhance their skills and knowledge, so as to enable them to properly discharge their duties as Board or Board Committee members. The directors also receive updates on the business of the Group through regular scheduled meetings and *ad-hoc* Board meetings.

The Company will fund directors' participation at industry conferences, seminars or any training programme in connection with their duties as directors.

As and when there are changes to regulations and or accounting standards, the Company will arrange for the Board to be updated, either by the Company Secretary and/or its other professional consultants depending on the type of changes to the regulatory changes and the implications on the Company and/or the Director's continuing obligations and various requirements expected of a listed company. During FY2022, the Board received updates by the Company Secretary and continuing sponsor on updates relating to the changes in the Catalist Rules and Code. The independent auditors have briefed the Audit Committee members on developments in accounting and governance standards and Audit Committee members have provided such updates to the Board members.

CORPORATE GOVERNANCE REPORT

To equip Directors with the relevant sustainability knowledge, all Directors have completed their mandatory sustainability training.

In addition, the Executive Chairman and/or Executive Directors constantly update Board members on business and strategic developments of the Group and overview of the industry trends at regular schedule meetings and ad-hoc Board meetings. Directors can request for further explanations, briefings or information on any aspects the Group's business issues from the Management.

Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board has established guidelines governing matters that require the Board's approval. A delegation of authority matrix provides clear directions to the Management on matters requiring the Board's specific approval. The matters require Board's approval include:

- (i) statutory requirement such as approval of annual report and financial statements;
- (ii) other requirements such as half year and full year results announcements;
- (iii) corporate strategic directions, strategies and action plans;
- (iv) issuance of key policies and key business initiatives;
- (v) authorization of acquisition / disposal and other material transactions;
- (vi) declaration of interim dividends and proposal of final dividends;
- (vii) convening of Shareholders' Meetings;
- (viii) any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

Provision 1.4: Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

The Board has delegated certain responsibilities to the three committees to assist in the execution of the Board responsibilities. These committees (each, a "Board Committee" and collectively, the "Board Committees") include: the Audit Committee (the "AC"), the Remuneration Committee (the "RC") and the Nominating Committee (the "NC").

Each Board Committee function within clearly defined terms of references and operating procedures, which will be reviewed on a regular basis by the Board to ensure adherence to the Code and Catalist Rules. The effectiveness of each committee will also be constantly reviewed by the Board. More information on the Board Committees can be found in the respective sections of the Board Committees in this CG Report. The Board Committees are required to report to the Board.

Further details on each Board Committee, including the composition, terms of reference, any delegation of the Board's authority and summary of the respective committee's activities are set out in the below sections of the CG Report.

Provision 1.5: Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

CORPORATE GOVERNANCE REPORT

The Board meets on a half yearly basis, and as and when circumstances required. During FY2022, the frequency of meetings held, and the attendance of each member of the Board and Board Committees are as follows:

	Board	AC	NC	RC
Number of meetings held	2	2	1	1
Director	Number of meetings attended			
Mr Loh Eu Tse Derek ⁽¹⁾	2	2	1	1
Mr Chin Rui Xiang	2	2*	1*	1*
Mr Gersom G Vetuz	2	2	1	1
Mr Wong Loke Tan	2	2	1	1

* Attendance by invitation of the respective Board Committee

Note:

⁽¹⁾ Mr Loh Eu Tse Derek was re-designated from Non-Executive Independent Chairman to Non-Executive Independent Director on 26 January 2023.

To facilitate the meetings, the Company's Constitution allows for meetings to be held through telephone and/or videoconference. The Company's Constitution and the Board Committees' Terms of References allow for decision / resolution to be passed by circulating resolutions / resolutions in writing.

The Board considers the attendance of the Directors' at Board meetings as important but not the sole criterion in measuring their respective contributions. The provision of guidance and advice on matters relating to the Group are examples of factors that the Board takes into account when reviewing the contribution of each Director.

Provision 1.6: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors are furnished with complete and adequate information related to agenda items in a timely manner for them to make informed decisions and discharge their duties and responsibilities.

The Board receives half yearly management financials statements, periodic cash flow projections, annual budget and explanation on material forecasts variances from Management. This is to ensure that the Board is able to contribute meaningfully during Board meetings, enabling them to understand the business activities of the Company and oversee the Group's operational and financial performance. The Board is also kept apprised on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

Board papers prepared for each meeting are usually circulated prior to each meeting to allow sufficient time for review by the Directors. Directors are also entitled to request from Management additional information as needed and the Management shall provide the same in order for them to make informed decisions.

Provision 1.7: Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have separate and independent access to the Management and Company Secretary at all times. The Company Secretary is responsible for facilitating communications within the Board Committees, Board and Management, as well as attending all Board Committees and Board meetings and preparing the relevant minutes of such meetings. Prior to each meeting, the minutes of the previous Board Committees and Board meetings will be circulated in advance to all the respective Board Committee and Board members. The Company Secretary will also provide its advice on governance matters and ensure that the respective meetings are in accordance to the Constitution and applicable rules and regulations (such as the Companies Act 1967 of Singapore ("**Companies Act**") and the Catalist Rules) are complied with.

Individually or collectively, for matters that affect the Group, Directors can obtain independent professional advice at the Company's expense where required. The appointments of such independent professional advisors are subject to approval of the Board.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2 – The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1: An “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.

The current Chairman of the Board (Mr Chin Bay Ching) is not an Independent Director. At the date of this CG Report, the Board comprises two (2) Executive Directors and three (3) Non-Executive Independent Directors. There is therefore a strong and independent element on the Board, with the independent directors making up majority of the Board. The table below summarizes the current Board composition and its Board Committees:

Name of Directors	Designation	Audit Committee	Nominating Committee	Remuneration Committee
Mr Chin Bay Ching ⁽¹⁾	Chairman and Executive Director	–	–	–
Mr Loh Eu Tse Derek ⁽²⁾	Non-Executive Independent Director	Member	Chairman	Member
Mr Chin Rui Xiang	Executive Director	–	–	–
Mr Gersom G Vetuz	Non-Executive Independent Director	Chairman	Member	Member
Mr Wong Loke Tan	Non-Executive Independent Director	Member	Member	Chairman

Notes:

⁽¹⁾ Mr Chin Bay Ching was appointed as Chairman and Executive Director on 26 January 2023.

⁽²⁾ Mr Loh Eu Tse Derek was re-designated from Non-Executive Independent Chairman to Non-Executive Independent Director on 26 January 2023.

The Board considers the existence of relationships or circumstances, including those identified by the 2018 Code and Catalist Rules, that are relevant to determine whether a Director is independent. Pursuant to Catalist Rule 406(3)(d), a director will not be independent if he is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years; if he has an immediate family member who is employed or has been employed by the Company or its related corporations for the past three financial years and whose remuneration is determined by the Remuneration Committee. When read with Practice Guidance 2 of the 2018 Code, which is also adopted by the Board, an independent director is defined as one who is independent in conduct, character and judgement, and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement in the best interests of the Company. In addition, the NC and the Board consider whether:

- i. the director (or an immediate family member) provided to or received from the Company and/or its subsidiaries any significant payments or material services, other than compensation for board service, in the current or immediate past financial year;
- ii. the director (or an immediate family member of the director) is or was a substantial shareholder or partner (with 5% or more stake) or executive officer or director of a third party providing or receiving significant payments or material services from the Company and/or subsidiaries in the current or immediate past financial year; or
- iii. the director (or an immediate family member of the director) is or has been directly associated with a substantial shareholder of the Company in the current or immediate past financial year;

Each Non-Executive Independent Director is required to complete an annual declaration respectively to confirm their independence based on the guidelines set out in the 2018 Code.

CORPORATE GOVERNANCE REPORT

The Non-Executive Independent Directors have confirmed that they do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement and the discharge of their duties.

Each of the Non-Executive Independent Directors had recused themselves from the Board's deliberations on their respective independence.

The Board recognises that the Non-Executive Independent Directors may over time develop significant insights in the Group's business and operations, and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole.

Mr Gersom G Vetuz ("**Mr Vetuz**"), who is the Non-Executive Independent Director of the Company, has served the Board beyond nine (9) years from the date of his first appointment. The Board (with Mr Vetuz abstaining from the review) had rigorously reviewed and agreed that Mr Vetuz had participated, deliberated and always expressed his views independently and objectively. The Board acknowledged that Mr Vetuz brings invaluable expertise, experience and knowledge to the Board. Mr Vetuz is familiar with the Group's business and will continue to contribute positively to the Group. Despite his length of service, the Board has determined that Mr Vetuz remains independent in terms of character and judgement and continues to be considered independent director for FY2022. The NC further noted that there were no relationships or circumstances which affected or likely to affect his independence or the discharge of his responsibilities as independent director.

With effect from 11 January 2023, Rule 406(3)(d)(iv) of the Catalist Rules states that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. As announced in the Responses to Comments on Consultation Paper dated 11 January 2023, there will be a one-year transition period to the above-mentioned rule and as such, the nine-year limit will be implemented at issuers' AGMs held for the financial year ending on or after 31 December 2023.

Mr Vetuz and Mr Loh Eu Tse Derek ("**Mr Derek Loh**") has or will serve the Board for an aggregate period of more than nine years for the financial year ending on 31 December 2023. The Company has plans to refresh and reorganize its Board to align with the spirit of the 2018 Code and Mr Vetuz, while eligible for re-election, has expressed his intention not to seek re-election and will retire at the forthcoming AGM. Mr Vetuz, will upon retirement as a Director of the Company, cease as a Non-Executive Independent Director of the Company and Chairman of the AC and member of the NC and RC. The NC will endeavour to search for potential candidates who could be lined up for appointment as Independent Director(s) of the Company and fill the vacancy in the Board and Board Committees within two (2) months, but in any case, not later than three (3) months to be in compliance with the Code, Catalist Rules and Companies Act. New Directors will be introduced gradually so that the Board and the Board committees have a smooth transition period.

Provision 2.2: Independent directors make up a majority of the Board where the Chairman is not independent.

At the date of this CG Report, the current Chairman of the Board (Mr Chin Bay Ching) is not independent and the independent directors make up majority of the Board. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board collectively possesses the necessary expertise for the effective functioning of and has the appropriate diversity mix to ensure that the power and authority of the Board does not vest in only one person.

Further details on each of the Board Committees, including their respective terms of reference are set out in the below sections of this CG Report.

Provision 2.3: Non-executive directors make up a majority of the Board.

At the date of this CG Report, three (3) out of five (5) of the Board members, representing a majority, are Non-Executive Independent Directors. There are no alternate directors appointed to the Board as of the date of this CG Report.

Provision 2.4: The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The NC conducts its annual review on the size and composition of the Board which comprises members from different backgrounds and whose core competencies, qualifications, skills and experiences are extensive.

CORPORATE GOVERNANCE REPORT

Considering the current scope and nature of the Group's operations, the NC is satisfied that the Board composition and size is adequate to meet the Company's existing scope and the nature of its operations.

The Board collectively has the relevant competencies to facilitate effective decision making for the existing needs and demands of the Group's businesses.

The Company recognises and embraces the benefits of having diversity amongst its Board members to prevent the Board's decision-making processes from being dominated by any individual or group of individuals. In addition, this is to ensure that the Board has a balance and mix of skills, knowledge, experience and diversity of perspectives appropriate to the requirements of the Company's business. The selection of candidates are based on a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

Each Director has been appointed based on his calibre and experience. As the Board of the Company, the directors possess core competencies such as accounting, finance, business, investment, legal and management experience, industry knowledge and strategic planning experience. Collectively, they provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies, businesses and other affairs.

The Board and Management fully appreciate that an effective and robust board whose members engage in open and constructive debates and constantly challenge Management on their assumptions and proposals is fundamental to good corporate governance. The Board also aids in the development of strategic proposals and oversees the effective implementation by Management to achieve the objectives.

Provision 2.5: Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

During FY2022, the Non-Executive Independent Directors met periodically without the presence of the Management and the Executive Director to discuss and evaluate the performance of Management and thereafter, provide feedback to the Executive Director and/or Non-Executive Independent Chairman after such meetings.

Board Diversity Policy

The Board has approved the following diversity policy in FY2022. The Board is committed to establishing a diverse, inclusive and collaborative culture. The Board acknowledges and accepts the benefits of diversity on the Board, and views diversity at the Board level as being a critical and essential element in supporting the attainment of its strategic objectives and its sustainable development. A diverse Board will include and make good use of differences amongst Directors in terms of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board requires to be effective. The NC reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including but not limited to those described above. When identifying suitable candidates for Board appointments, the NC will consider candidates based on merit against objective criteria and with due regard for the benefits of diversity on the Board. Diversity is a key criterion in the instructions to external search consultants. The Board is of the view that gender is an important aspect of diversity and will strive to ensure that:

1. Any brief to external search consultants to search for candidates for Board appointment will include a requirement to present female candidates;
2. Female candidates are included for consideration by the NC whenever it seeks to identify a new Director for Board appointment;
3. The objective is to achieve at least 20% female Board representation by year 2025.

The NC will monitor the implementation of this Policy and report annually in the Corporate Governance on the Board's composition in terms of diversity. The NC will review this Policy as and when appropriate to ensure the effectiveness of this Policy. The NC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 – There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1: The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The Company is cognisant of the principle that there should be a clear division of responsibility between the Chairman and the Chief Executive Officer (“CEO”) or the CEO equivalent, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Currently, the Company does not have a CEO. The Executive Chairman and/or Executive Directors is responsible for running the operations of the Company.

The Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management. This includes:

- (a) promoting a culture of openness and debate at the Board;
- (b) facilitating the effective contribution of all directors; and
- (c) promoting high standards of corporate governance.

The Chairman of the Board, AC, RC and NC will normally be present at the general meetings to answer any questions relating to the work of their respective committees. The independent auditors are also present to assist the directors in addressing queries from the shareholders on the conduct of audit and the preparation and content of the auditors’ report.

Mr Derek Loh discharged his duty as Non-Executive Independent Chairman of the Company objectively with the help of other Board members. He played a role in mapping out the directions for the Group’s growth at a strategic level and from the business development perspective. Mr Derek Loh also exercised control over the quality and timeliness of information flow between Management and the Board. He chaired Board meetings and monitored the translation of the Board’s decisions to Management. He ensured effective communication with shareholders at the shareholders’ meetings. In addition, he promoted high standards of corporate governance in compliance with the 2018 Code.

Mr Derek Loh was re-designated from Non-Executive Independent Chairman to Non-Executive Independent Director and Mr Chin Bay Ching (“Mr Chin”) was appointed as the Chairman and Executive Director of the Board. Please refer to the Company’s announcements dated 26 January 2023.

Provision 3.3: The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Currently, the Company does not have a lead independent director and the Company does not have a CEO. As the Board and its committees consists of a majority of independent directors, the Board believes that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence. As such, no lead independence director has been appointed after Mr Derek Loh was re-designated from Non-Executive Independent Chairman to Non-Executive Independent Director and Mr Chin was appointed as the Chairman and Executive Director of the Board. Matters in relation to remuneration, succession, and audit are deliberated by the respective Board Committees that comprises Independent Directors only. However, in the event circumstances arise where the Chairman is conflicted, the Chairman will recuse himself from voting. If there is any query or request on any matters which requires a lead independent director’s attention, the Board will look to appoint and/or redesignate an existing independent director to become a lead independent director to provide oversight and leadership. As of date of this CG Report, there has been no such scenarios where the Chairman is conflicted and no query or request on any matters which requires a lead independent’s attention. The Company will review to appoint a lead independent director should such a need arise.

BOARD MEMBERSHIP

Principle 4 – The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.2: The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

CORPORATE GOVERNANCE REPORT

The NC currently comprises three (3) Non-Executive Independent Directors, all of whom, including the NC Chairman, are independent. The NC members as at the date of this Annual Report are:

Mr Loh Eu Tse Derek (Chairman)	Non-Executive Independent Director
Mr Gersom G Vetuz	Non-Executive Independent Director
Mr Wong Loke Tan	Non-Executive Independent Director

Provision 4.1: The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The key written terms of reference of the NC are as follows:

- (a) review and recommend the Board's structure, size and composition;
- (b) identify suitable candidates and to review all nominations for appointments and re-election to the Board;
- (c) determine the independent status of the directors annually;
- (d) determine whether a director is able to and has been adequately carrying out his duties and responsibilities as a director of the Company, including time and effort contributed to the Company, attendance at meetings of the Board and Board Committees, participation and contributions at meetings, and taking into consideration the Director's number of listed company board representations and other principal commitments;
- (e) evaluate the performance and effectiveness of the Board as a whole, the Board Committees and the contribution of each director;
- (f) review of board succession plans for directors, in particular, the Chairman and CEO (if any) and key management personnel and makes recommendations to the Board with regards to any adjustments that are deemed necessary;
- (g) review the training and professional development programmes for the Board and key management personnel from time to time; and
- (h) review, as appropriate, the independence of any director who has served on the Board beyond nine years from the date of his first appointment.

For the review of succession plan and Board's composition for FY2022, the NC also took into consideration the amendments to the Catalist Rules that came into effect for the financial year ending on or after 31 December 2023 in relation to a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years.

Provision 4.3: The company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

In consultation with the Board on the appointment of new directors, taking into account the future needs of the Company, the NC will review the existing Board composition, strength and capabilities of each director towards the Group and the Board. The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new directors.

The Company has established the following process for the selection and appointment of new directors:

- (1) In consultation with the Board, identifies the current needs and inadequacies of the Board required to complement and strengthen the Board. The NC will determine the competencies required for the new appointment after such consultations.
- (2) In its search and selection process for new directors, the NC taps on the resources of directors' personal contacts and recommendations of potential candidates.

CORPORATE GOVERNANCE REPORT

- (3) The NC appraises the nominees to ensure that the candidates possess relevant background, experience, knowledge in the business, competencies in finance and management skills critical to the Group and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.
- (4) The NC then meets and interviews the shortlisted candidates to assess their suitability before nominating the most suitable candidate to the Board for approval and appointment as director.

There was no new director appointed to the Board in FY2022 and 1 new director appointed to the Board on 26 January 2023.

The NC also ensures compliance with the provisions of the Company's Constitution. In accordance with the Company's Constitution (the "**Constitution**"), the new directors who are appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. The Constitution also provides that at least one third of the remaining directors be subject to re-election by rotation at each Annual General Meeting ("**AGM**"). Accordingly, the Directors submit themselves for re-nomination and re-election at least once every three (3) years. This will enable all shareholders to exercise their rights in selecting all Board members.

Apart from the requirements of the Constitution, the NC also reviews the re-election of directors taking into consideration the directors' attendances and participation at the Board meetings, personal attributes and contributions.

The NC had reviewed and recommended, with the concurrence of the Board, for the following Directors who will be retiring at the upcoming AGM. Except for Mr Gersom G Vetuz, each of the Directors being eligible for re-election and having consented, have been nominated for re-appointment at the forthcoming AGM. Please refer to the table below for summarized details of the directors to be re-appointed in the forthcoming AGM:

Name of Director	Appointment	Date appointed	Article of the Constitution
Mr Gersom G Vetuz ⁽¹⁾	Non-Executive Independent Director	15 September 2008	Article 95
Mr Loh Eu Tse Derek ⁽²⁾	Non-Executive Independent Director	25 July 2014	Article 95
Mr Chin Bay Ching ⁽³⁾	Executive Director	26 January 2023	Article 96

⁽¹⁾ Mr Gersom G Vetuz, while eligible for re-election, has expressed his intention not to seek re-election and will retire at the forthcoming AGM. Mr Gersom G Vetuz, will upon retirement as a Director of the Company, cease as a Non-Executive Independent Director of the Company and Chairman of the AC and member of the NC and RC.

⁽²⁾ There is no relationship (including immediate family relationships) between Mr Gersom G Vetuz and Mr Loh Eu Tse Derek nor any of them with the other Directors, the Company or its 5% shareholders.

⁽³⁾ Mr Chin Bay Ching is a controlling shareholder of the Company and the father of the Executive Director, Mr Chin Rui Xiang. Apart from that, there are no relationships (including immediate family relationships) between Mr Chin Bay Ching and with the other Directors, the Company or its 5% shareholders.

Full details on the resolutions put forth on the above Directors' proposed re-election and re-appointments can be found in the Notice of AGM for FY2022.

Each member of the NC had abstained from voting on any resolutions and making any recommendation and/or participating in respect of matters in which they have an interest.

Provision 4.4: The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

Each independent director will confirm his independence (or otherwise) based on an annual declaration to confirm his Confirmation of Independence declaration annually as set out under Provision 2.1 above. The NC will review the respective declarations with reference to the guidelines set out in the Code and Catalist Rules, as well as any other salient factors which would render a Director to not be independent.

The Board, after taking into consideration the views of the NC, is of the view that Mr Gersom G Vetuz, Mr Loh Eu Tse Derek and Mr Wong Loke Tan (collectively, "**IDs**") are independent, having considered that there are no relationships between the IDs and the Group, its substantial shareholders or its officers, if any, which may affect their independence, and that, no individual or small group of individual dominates the Board's decision-making process.

During FY2022, there was no alternate director on the Board.

CORPORATE GOVERNANCE REPORT

Provision 4.5: The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

All Directors are required to declare their board representations. The date of initial appointment and last re-election of each Director to the Board, together with his directorships in other listed companies, both current and those held over the preceding three (3) years, are set out below:

Name of director	Date of initial appointment	Date re-elected as director	Current directorships in other listed companies	Past directorships in other listed companies (preceding three years)	Details of other principal commitments, if any
Mr Chin Bay Ching	26 January 2023	–	–	–	–
Mr Chin Rui Xiang	14 March 2018	27 April 2022	–	–	–
Mr Gersom G Vetuz	15 September 2008	30 April 2021	–	–	–
Mr Loh Eu Tse Derek	25 July 2014	30 April 2021	Kingsmen Creatives Ltd Memiontec Holdings Ltd Vibrant Group Limited	Metech International Limited DISA Limited Federal International (2000) Ltd K2 F&B Holdings Limited Kitchen Culture Holdings Ltd Vietnam Enterprise Investments Limited	Directorship: TSMP Law Corporation Singapore Camembert Holdings Pte Ltd Other Principal Commitments: St. Joseph's Institution International Elementary School Ltd. St. Joseph's Institution International Ltd. St. Joseph's Institution Philanthropic Fund for the Lasallian Mission Ltd St. Joseph's Institution International Preschool Ltd
Mr Wong Loke Tan	11 May 2017	27 April 2022	International Cement Group Limited K2 F&B Holdings Limited Koyo International Limited Union Steel Holdings Limited	–	Directorship: Compact Metal Industries Pte Ltd ⁽¹⁾ Integrate Private Limited ⁽¹⁾

(1) Direct / indirect subsidiary(ies) of International Cement Group Limited

CORPORATE GOVERNANCE REPORT

The NC is aware that two of its directors do hold multiple directorships as each of them are required to disclose their other directorships to the Board, upon appointment and cessation. The NC has reviewed, taking into account the individual performance assessment and their actual conduct on the Board, and is satisfied that despite the Directors' multiple board representations, they have given adequate time and attention to the Company's affairs during the year under review.

Although the 2018 Code requires listed companies to fix the maximum number of board representations on other listed companies, the NC has decided not to fix a maximum limit on the number of directorships a director may hold as time requirements of each director are subjective. The NC considers that the representations presently held by its directors do not impede their respective capabilities in carrying out their duties of the Company. However, in the event that the NC is of the view that the Director is not able to and has not been adequately carrying out his duties due to his commitments, the Chairman of the Board will discuss the issue with the Director to ensure that adequate time and attention can be devoted to the affairs of the Company.

The NC is of the view that the contribution and performance assessment of the directors should not be restricted to the number of Board representations but should also take into account his time commitments to the Board, participation, and attendance at meetings. Therefore, the NC will periodically, evaluate their performance to ensure that each director has devoted adequate and sufficient time to carry out his duties and responsibilities effectively, taking into consideration the director's other board representations and/or principal commitments.

BOARD PERFORMANCE

Principle 5 – The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1: The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Provision 5.2: The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

As at the date of this CG Report, the NC has adopted a formal process to assess the effectiveness of each Director, the Board as a whole and the Board Committees. The qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board. The evaluation exercise is carried out annually.

During the financial year, all directors are requested to complete an individual self-assessment checklist and a Board evaluation questionnaire designed to seek their views on the various aspects of the Board's performance so as to assess the overall effectiveness of the Board and its Board Committees as a whole. The completed checklists and questionnaires were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board's effectiveness. The Board would conversely evaluate the performance of the NC. Following the review, the NC considered the performance and effectiveness of each director, the Board committees and current Board as a whole to be operating effectively.

The performance criteria for the board evaluation are in respect of board size and composition, board independence, board processes, board information and accountability, and board performance in relation to discharging its principal functions.

Directors are encouraged to attend relevant training programmes conducted by accounting and other professional bodies and associations. They are continually updated with pertinent developments including changes in laws and regulations, code of corporate governance, financial reporting standards and industry-related matters.

Each member of the NC will abstain from voting or reviewing of any matters in respect of matters in which they have an interest (ie. assessment of their performance or re-appointment as a Director of the Company).

No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6 – The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.2: The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

The RC currently comprises three (3) non-executive directors, all of whom including the RC Chairman are independent. The RC members as at the date of this CG Report are:

Mr Wong Loke Tan (Chairman)	Non-Executive Independent Director
Mr Gersom G Vetuz	Non-Executive Independent Director
Mr Loh Eu Tse Derek	Non-Executive Independent Director

Provision 6.1: The Board establishes a Remuneration Committee (“RC”) to review and make recommendations to the Board on:

- (a) A framework of remuneration for the Board and key management personnel; and**
- (b) The specific remuneration packages for each director as well as for the key management personnel.**

The RC’s key terms of reference are as follows:

- (a) review and recommend to the Board for approval the policy for determining the remuneration of the key executives of the Group, including that of the Executive Directors and key management personnel;
- (b) review on-going appropriateness and relevance of the executive remuneration policy and other benefit programs including the terms of renewal for those Executive Directors;
- (c) review and recommend to the Board a general framework of remuneration for the Board and key management personnel;
- (d) review and recommend specific remuneration package for each director, key management personnel and any relative of a director and/or substantial shareholder who is employed in a managerial position by the Company;
- (e) review all aspects of remuneration, including directors’ fees, salaries, allowances, bonuses, the options to be issued under the share option scheme, the awards to be granted under the share plan and other benefit-in-kind (where applicable);
- (f) review the remuneration of senior management which would cover all aspects of remuneration including salaries, allowances, bonuses, options and benefit in-kind, where applicable;
- (g) review the termination clauses in the contracts of service for the executive directors and key management personnel (in the case of termination) to ensure termination clauses are fair and reasonable; and
- (h) investigate any matter within its terms of reference with expert advice within and/outside the Company, where necessary.

The RC’s responsibilities include reviewing and deliberating the compensation packages of Board members as well as key management personnel in the Company and the Group. Each Director will abstain from voting on any resolutions in respect of his remuneration or that of employees related to directors and/or substantial shareholders. The RC may obtain expert professional advice on remuneration matters, if required.

No expert advice was sought in FY2022.

CORPORATE GOVERNANCE REPORT

Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

All recommendations of the RC will be submitted for endorsement by the entire Board. In determining the remuneration packages of the Executive Directors and key management personnel, the RC will ensure that the packages are designed to adequately, but not excessively, reward individuals.

The RC will also consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

Each member of the RC will abstain from voting on any resolutions and making any recommendation, deliberation and/or participating in respect of matters in which they have an interest (including any employee related to him).

Provision 6.4: The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

During FY2022, the RC did not require the services of an external remuneration consultant. Nevertheless, the RC has explicit authority to investigate any matter within its terms of reference and to seek external advice should such need arise, at the Company's expense.

LEVEL AND MIX OF REMUNERATION

Principle 7 – The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

Provision 7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The Company adopted the objectives as recommended by the 2018 Code to determine the framework and levels of remuneration for directors and key management personnel so as to ensure that it is competitive and sufficient to attract, retain and motivate directors and senior management of the required experience and expertise to run the Group successfully, without being excessive.

In addition to the above, the Company ensures that a performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Board and Management and in order to promote the long-term success of the Company.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	Short-term incentive (such as performance bonus)
Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Job performance
Quantitative	Profit before tax

CORPORATE GOVERNANCE REPORT

The Company had taken appropriate and meaningful measures in assessing the performance of Executive Directors and key management personnel.

The RC has reviewed the Executive Directors and key management personnel who are eligible for benefits under the long-term incentive scheme. The long-term incentive scheme of the Company is the Adventus Employee Share Option Scheme (“**Adventus ESOS**”), which was approved and adopted on 30 April 2015.

At the date of this CG Report, Mr Chin Bay Ching, the Chairman and Executive Director of the Company and Mr Chin Rui Xiang, the Executive Director of the Company, each has entered into separate service agreement with the Company which is reviewed annually (unless otherwise terminated by either party giving not less than three (3) months’ notice to the other). The service agreement covers the terms of employment and specifically, the salary and bonus.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to all available actions against the Executive Directors in the event of such breach of fiduciary duties.

The RC has reviewed and is satisfied that the performance conditions were met for FY2022.

Provision 7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The Non-Executive Independent Directors do not have any service agreements with the Company. Except for directors’ fees which must be approved by shareholders at AGMs, the Non-Executive Independent Directors do not receive any other forms of remuneration from the Company.

The fees for the financial year in review are determined in the current financial year, proposed by the Management, submitted to the RC for review and thereafter recommended to the Board for approval.

The RC has reviewed and assessed that the remuneration of the Non-Executive Independent Directors for FY2022 is appropriate, considering the effort, time spent and responsibilities of the said Directors.

Following the passing of the resolution at the Annual General Meeting held on 27 April 2022, the Directors’ Fees for FY2022 will be payable on a quarterly basis.

DISCLOSURE ON REMUNERATION

Principle 8 – The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1: The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) **each individual director and the CEO; and**
- (b) **at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.**

CORPORATE GOVERNANCE REPORT

The breakdown of the remuneration paid to the Directors for FY2022 is as follows:

Table A

Name of director	Salary ⁽¹⁾	Bonus ⁽²⁾	Directors' fees ⁽³⁾	Total remuneration (S\$'000)
Mr Chin Rui Xiang	100%	–	–	156
Mr Loh Eu Tse Derek	–	–	100%	40
Mr Gersom G Vetuz	–	–	100%	45
Mr Wong Loke Tan	–	–	100%	40

Notes:

- (1) Salary is inclusive of allowances, CPF and other emoluments.
 (2) Bonus is inclusive of CPF.
 (3) Directors' fees payable in cash on quarterly basis, for being a Director in FY2022.

There are currently no termination, retirement, or post-employment benefits that may be granted to the Directors.

The Company has two key management personnel (who are not directors or the CEO) during the year. The aggregate remuneration paid to both key management personnel in FY2022 is S\$334,334.

The profile of the key management personnel is set out on page 6.

The remuneration of each of the key management personnel of the Group (who are not directors or the CEO) for FY2022 is as follows:

Remuneration band of key management personnel	Salary ⁽¹⁾	Bonus ⁽²⁾
<u>Between \$200,000 and \$250,000</u>		
Mr Wong Sonny Wing Doug	92%	8%
<u>Between \$100,000 and \$150,000</u>		
Mr Yau Woon Soon	92%	8%

Notes:

- (1) Salary is inclusive of allowances, CPF and other emoluments.
 (2) Bonus is inclusive of CPF.

Provision 8.2 *The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.*

During the financial year, there was one (1) employee within the Group who is immediate family member of the Executive Director and Controlling Shareholder and whose annual remuneration (as disclosed in the table above) exceeds S\$100,000.

- Mr Wong Sonny Wing Doug, who is son-in-law of the Controlling Shareholder, Mr Chin Bay Ching and brother-in-law of the Executive Director, Mr Chin Rui Xiang.

Except as disclosed herein, there was no other employee related to substantial shareholders, director or CEO whose remuneration exceeded S\$100,000 in FY2022.

CORPORATE GOVERNANCE REPORT

Provision 8.3 *The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.*

The breakdown of remuneration and other payments and benefits paid to the directors and key management personnel are found in the respective tables found in the section of this CG Report under Provision 8.1 Remuneration Report.

Adventus Employee Share Option Scheme (“Adventus ESOS”)

The Adventus ESOS is a share incentive scheme which provides an opportunity for eligible employees and directors of the Company and its subsidiaries, other than employees who are substantial shareholders of the Company, to participate in the equity of the Company and to motivate them to achieve a greater dedication and loyalty to the Company, and higher standards of performance.

The Adventus ESOS was approved and adopted by members of the Company at the Extraordinary General Meeting (“EGM”) held on 30 April 2015. The Adventus ESOS shall continue in operation for a maximum period of ten years commencing from 30 April 2015 and may be continued for any further period thereafter with the approval of the members of the Company by ordinary resolution in general meeting and of any relevant authorities which may then be required. As at the date of this Annual Report, the Adventus ESOS is administered by the RC, comprising the following members:

Mr Wong Loke Tan (Chairman)	Non-Executive Independent Director
Mr Gersom G Vetuz	Non-Executive Independent Director
Mr Loh Eu Tse Derek	Non-Executive Independent Director

Under the Adventus ESOS, at the discretion of the RC, selected employees and directors of the Group are eligible to participate in the scheme. Controlling shareholders and their associates (as defined in the Catalist Rules) are not eligible participate in the Scheme.

During the year under review, there were no options and outstanding options granted by the Company.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 – The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 *The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.*

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group’s businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders’ expectations and does not expose the Group to an unacceptable level of risk.

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk focused culture throughout the Group for effective risk governance.

The Board has approved a Group risk management framework for the identification of key risks within the business which is aligned with the ISO 31000:2009 Risk Management framework.

Although the Company does not have a Risk Management Committee, the AC has been assigned by the Board to oversee risk governance and the related roles and responsibilities include the following:

- (a) proposes the risk governance approach and risk policies for the Group to the Board;
- (b) reviews the risk management methodology adopted by the Group;

CORPORATE GOVERNANCE REPORT

- (c) reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by management; and
- (d) reviews management's assessment of risks and management's action plans to mitigate such risks.

Management presented an annual report to the AC and the Board on the Group's risk profile, the status of risk mitigation action plans and the results of various assurance activities carried out on the adequacy of Group's internal controls including financial, operational, compliance and information technology controls. Such assurance activities include controls self-assessment performed by Management, internal, external audits and external certifications conducted by various external professional service firms.

Provision 9.2 The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) **the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and**
- (b) **the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.**

Confirmation of Internal Controls

The Board has received assurance from (a) the Executive Director and Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Executive Director and other key management personnel who are responsible, regarding the effectiveness of the Group's risk management systems and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the internal, independent auditors and external certification firms and reviews performed by management, various Board Committees and the Board, with the concurrence of the AC, the Board is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective for FY2022.

The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Group is aware that international bodies and national governments have imposed sanctions with the aim of achieving foreign policy or national security goals. Although the Group has overseas operations, none of the Group's person or entity is exposed to sanctions-related risks. The Board confirmed there has been no material change in its risk of being subject to any Sanctions Law. The Board's comment as aforementioned on the adequacy and effectiveness of internal controls and risk management systems included consideration related to any sanctions-related risk.

In view of the changes in the risk appetite taking into consideration sanctions-related risk, the terms of reference of the Internal Auditors / External Auditors will be reviewed in due course. The Board and AC will be responsible for (a) monitoring the issuer's risk of becoming subject to, or violating, any Sanctions Law; and (b) ensuring timely and accurate disclosures to SGX and other relevant authorities.

AUDIT COMMITTEE

Principle 10 – The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

CORPORATE GOVERNANCE REPORT

The AC currently comprises of three (3) non-executive directors, all of whom including the AC Chairman are independent. The AC members as at the date of this Annual Report are:

Mr Gersom G Vetuz (Chairman)	Non-Executive Independent Director
Mr Loh Eu Tse Derek	Non-Executive Independent Director
Mr Wong Loke Tan	Non-Executive Independent Director

The members of the AC (including the AC Chairman) have the relevant and related financial management experience or expertise. The Board considers Mr Gersom G Vetuz, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr Wong Loke Tan of the AC has relevant experience in project financing and Mr Loh Eu Tse Derek of the AC has relevant experience in legal practices.

Further details on the key information and profile of the respective AC members, including academic and professional qualifications, are set out under the “Board of Directors” section of the annual report.

Provision 10.1: The duties of the AC include:

- (a) **reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) **reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) **reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) **making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) **reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (f) **reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

The AC's key terms of reference are as follows:

- (a) review the independent auditor's audit plan, audit report and the independent auditor's evaluation of the system of internal accounting controls and assistance from management to the independent auditor;
- (b) review the financial statements before release to independent and relevant parties;
- (c) review the adequacy and effectiveness of the Group's internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and results of the internal audit procedures;
- (d) review the co-operation given by the Company's officers to the auditors;
- (e) review the legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies and programs and reports received from the regulators;
- (f) review the cost effectiveness and independence and objectivity of the auditors;
- (g) review the nature and extent of non-audit services, if any, provided by the Independent auditors and seek to balance the maintenance of objectivity and value for money;
- (h) nominate the appointment of independent auditor; and

CORPORATE GOVERNANCE REPORT

- (i) review and ratify all interested person transactions to ensure that they comply with the approved internal control procedures and have been conducted at arm's length basis.

The AC is kept abreast by the Sponsor, the Management and CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) ("**CLA**"), the independent auditors, of changes to accounting standards, Catalyst Rules and other regulations which could have an impact on the Group's business and financial statements.

The AC meets at least twice a year and as frequently as is required, including AC meetings held to review the financial statements before announcement. In the financial year under review, the AC has met to review and approve the audit plan, the half year and full year unaudited results for announcement purposes and interested person transactions.

The AC may meet with the auditors at any time, without the presence of the Management. It may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of a regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations. The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility.

The AC reviews the independence and objectivity of independent auditors annually. The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the independent auditors and the work carried out by the independent auditors based on value for money consideration. During the financial year under review, CLA was appointed to audit the accounts of the Company, its subsidiaries and its significant associated companies, if any. The AC has reviewed the independence and objectivity of CLA as required under Section 206(1A) of the Companies Act and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditors.

During the financial year under review, the aggregate amount of fees payable to the independent auditors for the audit services amounted to S\$135,547. There were no fees paid by the Group or the Company to the independent auditors for non-audit services during the financial year under review.

Having been satisfied as to the foregoing and that Rules 712 and 715(1) of the Catalyst Rules have been complied with, as well as reviewing the scope and quality of the independent auditor's work, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority, the AC has recommended the independent auditors to the Board for re-appointment. The AC also took into account the experience and resources of CLA's other audit engagement, the partner that was assigned and the number and experience of the staff assigned in completing the audit. The AC is of the view that CLA is able to meet its audit obligations, and together with the Board, recommends the re-appointment of CLA in the forthcoming AGM.

The Company has in place a Whistle Blowing Policy to provide a channel for employees of the Group and independent parties to report, in good faith and in confidence, their concerns about possible improprieties relating to financial reporting or on other matters. The AC oversees the function in the administration of the Whistle Blowing Policy. The Whistle Blowing Policy provides for procedures to ensure that:

- (a) Independent investigations are carried out in an appropriate and timely manner;
- (b) Appropriate action is taken to correct the weakness in internal controls and policies that allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- (c) Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

The AC serves as the independent function responsible for oversight and monitoring of whistle-blowing and will investigate reports made in good faith. The Company is committed to ensure whistle-blowers who submit complaints or reports in good faith are protected against any discrimination, retaliation or harassment.

The Whistle Blowing Policy has been circulated to all employees. As at the date of this CG Report, there were no reports received through the whistle blowing mechanism. Reporting can be done by writing through email to adventus@whistleblower.com.sg.

CORPORATE GOVERNANCE REPORT

Provision 10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The members of the AC collectively have strong accounting and related financial management expertise and experiences and are appropriately qualified to discharge their responsibilities. As at the date of this CG report, none of the former partners or directors of the Company's independent auditor's firm has been appointed as a member of the AC.

Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The Group outsources its internal audit function to Yang Lee & Associates ("YLA") or ("IA"). YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines. The Group's engagement with YLA stipulates that its work shall be guided by the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") issued by the Institute of Internal Auditors. The IA reports directly to the AC and internal control weaknesses identified during the internal audit reviews and the recommended corrective actions are reported to the AC periodically.

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that the Management provides the necessary co-operation to enable IA to perform its function.

The IA completed one review during the financial year ended 31 December 2022 in accordance with the risk-aligned internal audit plan approved by the AC. The Board has adopted the recommendations of the IA set out in the internal audit report.

The AC annually reviews the adequacy of the internal audit function to ensure that the internal audits are performed effectively. Based on the review of the internal audit function for FY2022, the AC is satisfied that the internal audit function is independent, adequately resourced, effective and has an appropriate standing within the Company.

Provision 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

During the financial year under review, the internal and independent auditors met separately with the AC without the presence of the Management.

CORPORATE GOVERNANCE REPORT

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11 – The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1: The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. The Company will put all resolutions to vote by poll at the upcoming AGM in compliance with the Catalist Rule 730A(2). An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders. Each resolution will be tabled separately and voted on based on the respective resolution. The voting procedures are clearly explained during the general meetings.

To promote a better understanding of shareholders’ views, shareholders are encouraged to attend the general meetings to ensure a greater level of shareholders’ participation and for them to be kept up to date with the strategies and developments of the Group. Shareholders are given opportunities at the general meetings of the Company to voice their views and query the directors and the Management on matters relating to resolutions or matters relating to the Group and its operations.

To facilitate participation by the shareholders, the Constitution of the Company allow the shareholders to attend and vote at general meetings of the Company or to appoint not more than two (2) proxies to attend and vote on their behalf. The legislation has since amended, among other things, to allow certain members, defined as “relevant intermediary” to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

In view of the COVID-19 situation, the AGM in 2022 was held by electronic means on 27 April 2022 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**COVID-19 Temporary Measures Order**”). The Annual Report, Circular, Notice of AGM, Notice of EGM and Proxy form were made available to shareholders solely by electronic means via publication on SGXNET and the Company’s corporate website at the URL <https://www.adventusholdings.com/>. Shareholders could not attend the meeting in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on the Company’s corporate website and on SGXNET.

In view of the easing of COVID-19 measures in Singapore, the Company will be conducting the forthcoming AGM on 28 April 2023 (“**AGM 2023**”), in a wholly physical format pursuant to the COVID-19 Temporary Measures Order. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the AGM 2023, submission of questions to the Chairman of the Meeting in advance of, or at, the AGM 2023, and voting at the AGM 2023 by shareholders or their duly appointed proxy(ies), are set out in a separate announcement released on SGXNET on 13 April 2023.

Provision 11.2: The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting.

Resolutions requiring shareholders’ approval are tabled separately for adoption at the Company’s general meetings unless they are closely related and are more appropriately tabled together. Reasons and implication of why resolutions are bundled will be set out in the circulars sent out.

CORPORATE GOVERNANCE REPORT

Provision 11.3: All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

The Company requires all Directors (including the respective Chairman of the Board Committees) to be present at all general meetings, unless due to exigencies. The independent auditors are also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. All Directors attended the AGM and for the Company's financial year ended 31 December 2021 ("FY2021") held on 27 April 2022.

Provision 11.4: The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Voting in absentia such as voting via mails, electronic mails or facsimile at the general meetings may only be possible following careful scrutiny to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

Provision 11.5: The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Minutes of the general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with responses from the Board and Management are prepared and made available on the Company's corporate website as soon as practicable. During FY2022, the minutes of general meetings were announced on the SGXNET and made available on the Company's corporate website within one month from the general meetings. In addition, the Company published its responses to shareholders queries on SGXNET in advance of the AGM for FY2021.

Provision 11.6: The company has a dividend policy and communicates it to shareholders.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividend will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

No dividend has been declared or recommended for FY2022 as the Group is in loss-making position.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12 – The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company

Provision 12.1: The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

In line with the continuing obligations of the Company pursuant to the Catalist Rules and the Companies Act, all shareholders would be equally informed of all major developments and/or transactions impacting the Group. The Company is committed to disclose as much relevant information as possible, in a timely, fair and transparent manner, to its shareholders.

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information relating to the Company's new initiatives, material developments and corporate transactions are first disseminated via SGXNET followed by a news release (where applicable). The Group issues announcements and news releases on an immediate basis as part of its continuous obligations pursuant to the Catalist Rules. Prior to the release of the announcements, if applicable and when required, the Company also completes and submits compliance checklists to its Sponsor to ensure that all announcements, circulars or letters to our shareholders comply with the requirements set out in the Catalist Rules.

CORPORATE GOVERNANCE REPORT

Provision 12.2: The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Board is mindful of its obligations to provide its shareholders with timely disclosure of material information presented in a fair and objective manner. The Company does not practice selective disclosure. Price sensitive information is promptly released on SGXNET. Financial results and annual reports are announced or issued within the mandatory periods. However, material information that may be permitted by law to be kept undisclosed will not be given.

The Board regards the general meetings as opportunities to communicate directly with the shareholders and encourages greater shareholder participation. To promote a better understanding of shareholders' views, shareholders are encouraged to attend the general meetings to ensure a greater level of shareholders' participation and for them to be kept up to date with the strategies and goals of the Group. Shareholders are encouraged to engage the Board on topics such as interim updates on useful and relevant information (such as a discussion of the significant factors that affected the company's interim performance, relevant market trends including the risks and opportunities that may have a material impact on the company's prospects, etc.) so to better understand the Company's performance in the context of the current business environment. The Board will then be able to assess on whether the interim updates and the appropriate frequency of the updates to be provided to shareholders.

Factoring the reasons above, the Company does not have an investor relations policy but has an internal team to assist in communication with its investors and shareholders.

Provision 12.3: The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The SGXNET and the Group's corporate website are the key resources of information for the Company's shareholders. Apart from financial results, the Group's corporate website contains other investor related information on the Group, including financial highlights and corporate information.

The Company's website has contact details that include email address and telephone number, for shareholders to contact the Company using either communication methods in the event they have any queries and by which the Company may respond.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13 – The Board adopts an inclusive approach by considering and balancing the needs and interest of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1: The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The Company has regularly engaged its stakeholders through various medium and channel to ensure that the business interest is aligned with those of the stakeholders, to understand and address the concerns so as to improve as well as to sustain business operations for long-term growth.

Key stakeholders are determined for each material factor identified, based on the extent of which they can affect or are affected by operations of our Group.

Please refer to the Sustainability Report on pages 42 to 57 of the Annual Report for further details.

CORPORATE GOVERNANCE REPORT

Provision 13.3: The company maintains a current corporate website to communicate and engage with stakeholders.

The Company has a corporate website to communicate and engage with all stakeholders. All material information on the performance and development of the Group and of the Company is also disclosed through SGXNET and the Company's website at URL www.adventusholdings.com, with the relevant contact details for all stakeholders to contact the Company via phone or e-mail.

COMPLIANCE WITH APPLICABLE CATALIST RULES

DEALING IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company has procedures in place on dealings in securities, whereby there should be no dealings in the Company's shares by its officers on short-term considerations and during the period commencing one (1) month prior to the announcement of the Company's half year and full year results and ending on the date of announcement of the results. The Company will issue directive to all employees, including directors one (1) month before the date of the respective results announcement and ending on the date of the announcement of the results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods and are not to deal in the Company's securities on short-term considerations. The implications of insider trading are clearly set out in the procedures and guidelines.

INTERESTED PERSON TRANSACTIONS

In compliance with Catalist Rule 907, the Company has established internal control policies and procedures to ensure that all transactions with interested persons are properly documented and reported in a timely manner to the AC on a half yearly basis, and that the transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders, in accordance with the internal controls set up by the Company on interested person transactions.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Catalist Rule 920 and there were no interested person transaction above S\$100,000 entered into by the Group during FY2022.

MATERIAL CONTRACTS

As stipulated in Catalist Rule 1204(8) to disclose the particulars of material contracts, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors or controlling shareholders which are either still subsisting at the end of FY2022 or if not then subsisting, entered into by the Company since FY2022, except for the interest-bearing loan facility of US\$10 million with Fiesta Development Pte. Ltd., whom the Executive Chairman of the Company is the beneficiary owner. The details of the loan agreement had been announced via SGXNET on 20 September 2022.

NON-SPONSOR FEES

Pursuant to Rule 1204(21) of the Catalist Rules, the Company wishes to disclose that there was no non-sponsor fees paid to the Sponsors, RHT Capital Pte. Ltd., for the financial year under review.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Loh Eu Tse Derek and Mr Chin Bay Ching are the Directors seeking re-election at the forthcoming Annual General Meeting (“**AGM**”) of the Company to be held at No. 60 Benoi Road #03-02 Singapore 629906 on 28 April 2023 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Date of Appointment	25 July 2014	26 January 2023
Date of last re-appointment	30 April 2021	N.A.
Age	56	66
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Loh Eu Tse Derek as the Non-Executive Independent Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Loh Eu Tse Derek is considered independent for the purpose of Rule 704(7) of the Catalist Rules.	The re-election of Mr Chin Bay Ching as Chairman and Executive Director of the Company was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Responsible for the overall strategic planning, business, management and operation of the Company and its subsidiaries.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees.	Chairman and Executive Director
Professional qualifications	<ul style="list-style-type: none"> • Graduated from University of Cambridge with Honours • Obtained barrister-at-law in England • An advocate and solicitor in Singapore 	Professional Diploma in Quantity Surveying from Royal Melbourne Institute of Technology, Australia

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Working experience and occupation(s) during the past 10 years	Presently an Executive Director in TSMP Law Corporation Singapore	<ol style="list-style-type: none"> 1. Fiesta Development Pte Ltd (2007 – Present) Project: Bay Hotel Singapore at 50 Telok Blangah, Singapore 2. Rockdale Development Pte Ltd (2007 – 2013) (Struck-off) Project: Semi-detached house at Greenmead Ave, Singapore 3. Langston Key Investment Pte Ltd (2007 – 2013) (Struck-off) Project: Good Class Bungalow at 8 Namly Crescent, Singapore 4. Bay Development Pte Ltd (2007 – 2018) (Struck-off) Project: 2-storey semi-detached house at 31 Goldhill Ave, Singapore 5. Springfield Investment Pte Ltd (2011 – Present) Secretary 6. Adventus Holdings Limited (2014 – 2019) Investment: Property development and hospitality
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct Interest: 506,739,359 ordinary shares Deemed Interest: 249,865,772 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Mr Chin Bay Ching is the controlling shareholder of the Company, father of Mr Chin Rui Xiang (Executive Director of the Company) and father-in-law of Mr Wong Sonny Wing Doug (Project Director of the Company).
Conflict of Interest (including any competing business)	No	Mr Chin Bay Ching has acknowledged on the letter of undertaking regarding his non-compete undertaking and Right of First Refusal.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Other Principal Commitments Including Directorships		
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years)	<ol style="list-style-type: none"> Metech International Limited DISA Limited Federal International (2000) Ltd K2 F&B Holdings Limited Kitchen Culture Holdings Ltd Vietnam Enterprise Investments Limited 	<ol style="list-style-type: none"> Adventus Holdings Limited Adventus Alliances & Solutions Pte Ltd Northern Cardinal Commodities Pte Ltd Adventus Investments (Vietnam) Pte Ltd ADV S1 Pte Ltd ADV S2 Pte Ltd ADV S3 Pte Ltd Regis Bay Vietnam Investment Joint-Stock Company Hoi An Pearl Joint Stock Company Fiesta Resources Pte Ltd Firotti Holdings Pte Ltd Green Electric Energy Pte Ltd Bay's Gift's Pte Ltd Bay Development Pte Ltd Fresh Fruits Pte Ltd Crimson Star Development Pte Ltd Altenergy Pte Ltd Keycap Investment Pte Ltd Marbella Investment Pte Ltd Bay Investment Holding Pte Ltd
Present	<ol style="list-style-type: none"> Adventus Holdings Limited Kingsmen Creatives Ltd Memiontec Holdings Ltd Vibrant Group Limited Camembert Holdings Pte Ltd TSMP Law Corporation Singapore <p><u>Other Principal Commitments (other than directorships)</u></p> <ol style="list-style-type: none"> St. Joseph's Institution International Elementary School Ltd St. Joseph's Institution International Ltd St. Joseph's Institution Philanthropic Fund for the Lasallian Mission Ltd St Joseph's Institution International Preschool Ltd 	<ol style="list-style-type: none"> Adventus Holdings Limited Fiesta Development Pte Ltd Beaufort Investment Pte Ltd Bay Hotel & Resort Pte Ltd Bay Asia Investments Pte Ltd Glory Investment Holding Pte Ltd Whistler Investment Holding Pte Ltd 1st Orient Pte Ltd Cathay Overseas International Pte Ltd NBN Resources (S) Pte Ltd Lvmin Energy Pte Ltd Botany Development Pte Ltd Sino United Holding Pte Ltd Oil Gas Pte Ltd China Supply Alliance Pte Ltd Piz' Place Pte Ltd Raffles Metalpack Pte Ltd Globe Aviation Pte Ltd

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	Yes. There was an application filed against Mr Chin Bay Ching after he ceased as a director and the application was subsequently withdrawn on 4 July 2019.
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Information required pursuant to Catalyst Rules 704(6) and/or 704(7) (cont'd)		
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	Yes. Mr Chin Bay Ching was disqualified from acting as a director under section 155 of the Singapore Companies Act from 1 November 2001 to 31 October 2006. The disqualification was due to failure to cause certain companies for which he was a director to file annual accounts and annual returns.
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Information required pursuant to Catalyst Rules 704(6) and/or 704(7) (cont'd)		
<p>(i) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	<p>Yes</p> <p>1. I was an independent director of Flextech Holdings Ltd (now known as Dragon Group International Limited (“DGIL”) from 15 January 2004 to 28 April 2011. Following my resignation, DGIL and its board of directors both present and past (including myself) were called for questioning by the Commercial Affairs Department (“CAD”) in respect of a technical non-compliance of the Companies Act 1967 of Singapore for a transaction during the period when I served on DGIL’s board of directors. As there was no dishonesty or fraud on the part of DGIL’s board and there were full disclosures made and external professionals appointed for the transaction in question, no charges were proceeded with and the relevant members of DGIL’s board (including myself) received a warning from the CAD in relation to the aforementioned incident.</p> <p>2. I am an independent director of Vibrant Group Limited (“Vibrant”) since 5 November 2003. A special auditor was appointed on 21 August 2018 to investigate into irregularities as well as the assets and accounting records of Blackgold International Holdings Pty Ltd (“Blackgold”) and its subsidiaries (collectively, “Blackgold Group”). Blackgold was listed on the Australian Securities Exchange (“ASX”) in 2011 and became Vibrant’s wholly-owned subsidiary following Vibrant’s acquisition in July 2017 and delisted from the ASX thereafter. On 14 August 2019, the SGX-ST issued a regulatory announcement after its review of the special audit report received on 24 January 2019 which uncovered (i) potential significant misstatements in Blackgold’s financial statements and (ii) Blackgold management may have</p>	<p>No</p>

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Information required pursuant to Catalyst Rules 704(6) and/or 704(7) (cont'd)		
	<p>potentially falsified accounting records and announced false financial information on ASX when Blackgold was listed. In its announcement, SGX-ST stated that (i) it has reported the accounting irregularities in Blackgold and conduct of Blackgold's statutory auditors to the relevant authorities and (ii) it is concerned about the findings relating to the Blackgold management and therefore require SGX-listed companies to consult it before the appointment of the Blackgold management as a director or key management. I was at no time a subject of the special audit. Together with the fellow members of the audit committee and board of directors of Vibrant, we oversaw the special audit.</p>	
<p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p>	No	No
<p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	No	No
<p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Loh Eu Tse Derek	Mr Chin Bay Ching
Information required pursuant to Catalyst Rules 704(6) and/or 704(7) (cont'd)		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. See (j)(i) above in relation to DGIL. As there was no dishonesty or fraud on the part of DGIL's board and there were full disclosures made and external professionals appointed for the transaction in question, no charges were proceeded and the relevant members received a warning from CAD in relation to the investigation.	No
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

SUSTAINABILITY REPORT

1. Board statement

We reaffirm our commitment to sustainability with the publication of our sustainability report (“**Report**”). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“**ESG**”) factors and economic performance (collectively as “**Sustainability Factors**”).

Whilst mindful of our profit-oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future of Adventus Holdings Limited (“**Adventus**” or the “**Company**”) and its subsidiaries (collectively the “**Group**”). This commitment is reflected in our sustainable business strategy and the material Sustainability Factors which are shown in this Report.

A sustainability policy (“**SR Policy**”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Our sustainability framework communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“**SDGs**” or “**Global Goals**”) and creating long-term value for key stakeholders, comprising communities, employees, regulators and shareholders. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDGs as follows:



SUSTAINABILITY REPORT

A summary of our sustainability performance in FY2022 is as follows:

Sustainability Factor	Performance indicator	Sustainability performance	
		FY2022	FY2021
Economic	Revenue	–	–
Environmental	Water consumption intensity (Cu M/ employee)	14.0	5.1
	Electricity consumption intensity (kWh/ employee)	917.7	643
	Greenhouse Gas (“GHG”) emissions (tonnes CO ₂ e) ¹	32.8	10.6
	GHG emissions (tonnes CO ₂ e/ employee)	0.6	0.4
Social	Number of work-related fatalities	–	–
	Number of high-consequence work-related injuries ²	–	–
	Number of recordable work-related injuries	–	–
	Number of recordable work-related ill-health	–	–
	Turnover rate	10.3%	8.3%
	Number of reported incidents of unlawful discrimination ³ against employees	–	–
Governance	Number of incidents of serious offence ⁴	–	–

The Group recognises that the recovery of the travel and tourism industry may be subject to challenges such as varying international flight capacities and border measures. Moreover, we are mindful of the potential impact of economic uncertainties, inflationary pressures, and manpower issues, all of which could present significant challenges for the Group's business. Despite these potential headwinds, we remain cautiously optimistic about our journey towards the growth of our business. We are committed to remain agile and adaptable to evolving market conditions, while prioritising the safety and well-being of our employees and guests. Apart from our existing business and hospitality business in Vietnam, we will actively explore new business opportunities.

2. People

As at 31 December 2022, the breakdown of our employees by country is as follows:

	Singapore	Vietnam	Total
Full-time	7	45	52

¹ GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the average emissions factors published by the Energy Market Authority for Singapore operations and Institute for Global Environmental Strategies for Vietnam operations.

² High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

³ Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

⁴ A serious offence is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such a serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S\$100,000.

SUSTAINABILITY REPORT

3. Reporting framework

This Report has been prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) listing rules. The Company has reported the information cited in the Global Reporting Initiative (“**GRI**”) content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards. We have chosen the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found at Section 11 of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We are also guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (“**TCFD**”) in our climate-related disclosure.

The current sustainability reporting process has been internally reviewed and is adequate for FY 2022, given that the Company has yet to commence operations on the hospitality business, operated a lean workforce and generated no revenue.

4. Reporting scope

This Report is applicable to the Group and covers the following operating entities within the property and hospitality business, our core business, which contributed 100% of our total revenue for the Reporting Period:

S/N	Entity	S/N	Entity
1	Adventus Holdings Limited	7	ADV V1 Holding Company Limited
2	Adventus Investments (Vietnam) Pte. Ltd.	8	AP Land Company Limited
3	ADV S1 Pte. Ltd.	9	Regis Bay Vietnam Investment Joint-Stock Company
4	ADV S2 Pte. Ltd.	10	Hoi An Pearl Joint Stock Company
5	ADV S3 Pte. Ltd.	11	Bay Hospitality Pte. Ltd.
6	ADV Management Services Company Limited		

This Report is applicable for the Group’s financial year ended 31 December 2022 (“**FY2022**” or “**Reporting Period**”). This report describes the sustainability performance of Adventus for FY2022 and forms part of Adventus’ Annual Report 2022. Information on the areas in which we have the most ESG impact is provided, together with our performance in FY2022 and targets for FY2023. We will continue to publish a report annually in accordance with our SR Policy.

5. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: info@adventusholdings.com.

6. Stakeholder engagement

Through an internal stakeholder mapping exercise, we have identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that can reasonably be expected to be significantly affected by our activities, products or services and whose actions can reasonably be expected to affect our ability to implement our strategies to achieve our objectives.

Our efforts on sustainability focus on creating sustainable value for our key stakeholders, which comprise communities, employees, regulators and shareholders. Key stakeholders are determined for each material Sustainability Factor identified, based on the extent of which they can affect or are affected by operations of our Group.

SUSTAINABILITY REPORT

We actively engage our key stakeholders through the following channels:

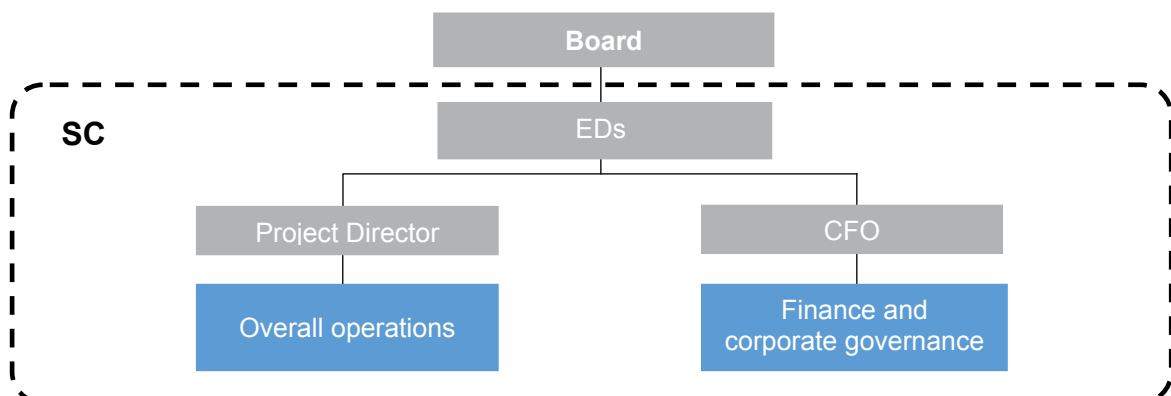
S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concern raised
1	Communities	<ul style="list-style-type: none"> Annual reports 	Annually	Environmental protection and initiatives
		<ul style="list-style-type: none"> Investor-relations email account 	Ongoing	
2	Employees	<ul style="list-style-type: none"> Staff evaluation sessions Practices used to encourage energy-efficient behaviours among employees 	Regularly	<ul style="list-style-type: none"> Equal employment opportunity Job security Remuneration Green workplace practices Workplace health and safety
3	Regulators	Consultations and briefing organised by key regulatory bodies such as Singapore Stock Exchange and relevant government agencies/ bodies	As and when required	<ul style="list-style-type: none"> Corporate governance Workplace health and safety
4	Shareholders	Announcement on SGXNet	Half-yearly	<ul style="list-style-type: none"> Sustainable business performance Market valuation Dividend payment Corporate governance
		<ul style="list-style-type: none"> Annual general meetings Annual reports 	Annually	
		<ul style="list-style-type: none"> Company's website Business publications Investors' relation events 	Ongoing	

Through the above channels, we seek to understand the views of our key stakeholders, communicate effectively with them and respond to their concerns.

7. Policy, practice and performance reporting

7.1 Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board. Our Group's Sustainability Committee ("SC"), which includes senior management executives such as the Chief Financial Officer ("CFO"), is led by our Executive Directors ("EDs"). The SC is tasked to develop the sustainability strategy, review its material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

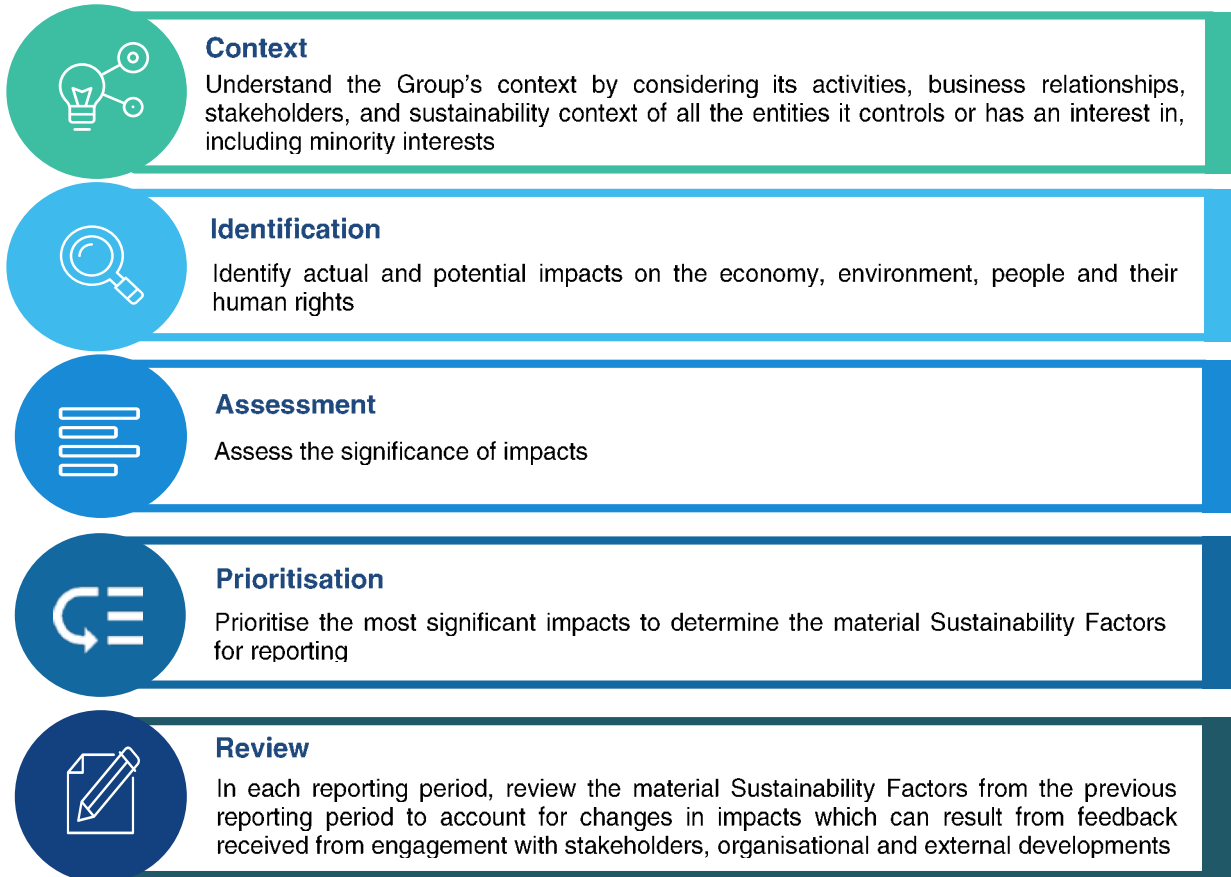


SUSTAINABILITY REPORT

7.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:



7.3 Materiality assessment

The materiality assessment considers the likelihood of the occurrence of actual and potential negative and positive impacts ("**Likelihood of Impact**") and significance of our impacts on the economy, environment, people and their human rights, which include our contribution (negative or positive) to sustainable development ("**Significance of Impact**").

7.4 Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, monitoring and measuring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

SUSTAINABILITY REPORT

8. Material factors

In FY2022, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors material to the sustainability of our business were updated. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

Presented below are a list of key Sustainability Factors applicable to our Group:

S/N	Sustainability Factor	SDG	Key stakeholder
Economic			
1	Sustainable business performance	Decent work and economic growth	<ul style="list-style-type: none"> ■ Shareholders
Environmental			
2	Water conservation	Clean water and sanitation	<ul style="list-style-type: none"> ■ Communities ■ Shareholders
3	Energy conservation and emission reduction	Affordable and clean energy	<ul style="list-style-type: none"> ■ Communities ■ Shareholders
4	Optimal waste management	Responsible consumption and production	<ul style="list-style-type: none"> ■ Communities ■ Regulators ■ Shareholders
Social			
5	Occupational health and safety	Good health and well-being	<ul style="list-style-type: none"> ■ Employees ■ Regulators
6	Employee development and retention	Quality education	<ul style="list-style-type: none"> ■ Employees
7	Equality and diversity in the workplace	Reduced inequalities	<ul style="list-style-type: none"> ■ Employees
Governance			
8	Robust corporate governance framework	Peace, justice and strong institutions	<ul style="list-style-type: none"> ■ Regulators ■ Shareholders

We will update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. The details of each key Sustainability Factor are presented as follows:

8.1 Sustainable business performance

We are committed to provide value to various stakeholders through relevant and meaningful ways to enable a more sustainable future.

As at 31 December 2022, our two projects in Da Nang and Hoi An of Vietnam are near completion. In preparing the projects to turn operational next year, pre-opening activities such as staff recruitment have gradually commenced.

During the transitional period as we build a sustainable business, we adopted and continue the following measures:

- Implement tight controls over cash outflows to conserve working capital;
- Financial reports are reviewed regularly by senior management and the Board; and
- Management meetings are conducted regularly to allow senior management to review business performance.

SUSTAINABILITY REPORT

Details of our economic performance can be found in the financial contents and audited financial statements of this Annual Report.

Given that the business environment we operate in is constantly changing, we recognise the need to be proactive in identifying business opportunities when they arise. In the meantime, we will continue to look for the right opportunities to diversify our revenue streams, apart from our existing business and hospitality developments in Vietnam.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or improve our financial performance subject to market conditions	There are no recurring revenue and cost of sales during the Reporting Period as the construction for both projects have yet to be completed	Maintain or improve our financial performance subject to market conditions

8.2 Water conservation

We recognise the importance of managing our water consumption efficiently and avoid the depletion of valuable water resources. Accordingly, we are committed to the responsible usage of water resources through enhancing our water consumption efficiency.

We rely on water resources for cleaning purposes, restrooms and pantries. Key statistics on water consumption during the Reporting Period are as follows:

Resource	Water consumption (Cu M)		Water consumption intensity (Cu M/ total number of employees)	
	FY2022	FY2021	FY2022	FY2021
Water	727	123	14.0	5.1

The increase in water consumption intensity is mainly due to team building up for our Vietnam operations, with employees increasing by nearly three-folds from last year. As such, water consumption rose sharply; we will monitor the usage and ensure conservation efforts remain in place.

Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed.

Target for FY2022	Performance in FY2022	Target for FY2023
— ⁵	Water consumption intensity increased by 173%	Reduce or maintain the water consumption intensity

8.3 Energy conservation and emission reduction

We are committed to responsible usage of energy that helps to reduce carbon emissions and preserve the environment in which we operate in. It also reduces cost and enhances returns to our shareholders. The Board engages the SC on tracking and optimising the Group's environmental impacts.

We rely on electricity for running equipment for lighting, office work, cooling and ventilation (Scope 2⁶). Other than indirect GHG emissions (Scope 2), we do not generate material direct GHG emissions (Scope 1⁷) from our operations. Therefore, no separate disclosure is made on direct GHG emissions (Scope 1) but we will continue to monitor such emission and to disclose in future, as and when applicable.

⁵ Not applicable as this is a newly disclosed Sustainability Factor added in this Report.

⁶ Scope 2 GHG emissions arise from the generation of purchased electricity consumed by the Company. Scope 2 emissions physically occur at the facility where electricity is generated.

⁷ Scope 1 GHG emissions occur from sources that are owned or controlled by the Company.

SUSTAINABILITY REPORT

Key statistics on electricity consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2022	FY2021
Energy consumption			
Electricity consumption	kWh	47,722	15,433
Electricity consumption intensity	kWh/ total number of employees	917.7	643.0
GHG emissions			
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	32.8	11.03
GHG emissions intensity	tonnes CO ₂ e/ total number of employees	0.6	0.4

Similar to increase in water consumption, the increase in GHG emissions intensity is due to the higher number of employees in Vietnam ahead of the projects turning operational. While the workforce will continue to increase towards the hotel's opening, we will monitor and step up our energy conservation efforts to keep the energy usage in check.

We track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns. We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving modes.

We will make the relevant climate-related disclosure on our hospitality projects in Vietnam when their operations commence.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or reduce GHG emissions intensity	The GHG emissions intensity increased by 52%	Maintain or reduce GHG emissions intensity

8.4 Optimal waste management

We recognise that environmental preservation through efficient waste management such as reducing consumption and recycling allows us to operate in a sustainable environment. We are committed to minimise wastage in our operations and minimise the potential impact of our operations on the environment.

As operations for our hospitality projects have not commenced, wastes generated in FY2022 are not material. We will make the relevant waste-related disclosure on our hospitality projects in Vietnam when their operations commence.

8.5 Occupational health and safety

We strive to ensure good health and safety for our employees in the workplace. A working environment that supports equal opportunity for all helps to create a level platform for employees to excel and showcase their potential in contributing to the Group.

During the Reporting Period, we recorded no (FY2021: zero) workplace fatalities, no (FY2021: zero) high-consequence work-related injuries, no (FY2021: zero) recordable work-related injuries and no (FY2021: zero) work-related ill health cases during the Reporting Period. We will continuously work towards maintaining zero workplace accidents.

To protect our employees and minimise the risk of transmission of COVID-19, we adhere to the guidelines and measures passed by the applicable COVID-19 laws and regulations.

Target for FY2022	Performance in FY2022	Target for FY2023
⁸	There is no recordable work-related injuries or ill health cases	<u>On-going and long-term target</u> Maintain zero work-related injuries and ill-health cases

⁸ Not applicable as this is a newly disclosed Sustainability Factor added in this Report.

SUSTAINABILITY REPORT

8.6 Employee development and retention

We embrace the philosophy of investing in our people by providing comprehensive training and development opportunities that enhance professional and technical expertise, so that our staff can continuously improve their skills and grow within the Group.

Key statistics on new hires and employee turnover are as follows:

New hires

Disclosure	FY2022	FY2021
Gender		
Male	48.4%	100%
Female	51.6%	–
Age		
Below 30	6.5%	–
30 to 50	93.5%	100%
Above 50	–	–

Turnover

Disclosure	FY2022	FY2021
Overall	10.3%	8.3%
Gender		
Male	66.7%	100%
Female	33.3%	–
Age		
Below 30	16.7%	–
30 to 50	83.3%	100%
Above 50	–	–

The fluctuations in the above statistics between the two financial years mainly attributed to our hiring efforts which commenced from late FY2022 in preparation of the opening of our hotels in Vietnam.

We will place a high priority on the competency development of our employees as we believe that an effective employee training program is vital to the long-term success of any business. We endeavour to structure training programmes for employees and to monitor this development for future disclosure, as and when applicable.

In addition, assessments will be performed regularly to evaluate the performance of employees and to discuss areas for improvement. It will also encourage employees to take self-initiated enrichment actions to improve their current skillsets, which in turn add value to our business.

SUSTAINABILITY REPORT

As part of our continual efforts to upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of Singapore Exchange (“SGX”) under listing rule 720 (7), we confirm that all directors have attended one of the approved sustainability training courses during the Reporting Period.

Target for FY2022	Performance in FY2022	Target for FY2023
— ⁹	To structure training programs for employees	<u>On-going and long-term target</u> <ul style="list-style-type: none"> ■ Maintain proportion of staff who receives performance and career development reviews ■ Maintain or improve average training hours per employees

8.7 Equality and diversity in the workplace

We aim to provide a work environment for our employees that fosters fairness, equity and respect for social and cultural diversity, regardless of their gender, age and educational background. As at 31 December 2022, we have 52 employees (FY2021: 24).

Gender diversity (%)

We view gender diversity as an essential element in supporting sustainable development. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2022		FY2021	
	Male	Female	Male	Female
Overall	55.8%	44.2%	75%	25%
Management level	61.3%	38.7%	85.7%	14.3%
Non-management level	47.6%	52.4%	60%	40%

Age (%)

We value mature workers for their experience, knowledge and skills. Key statistics on age diversity of our employees are as follows:

Disclosure	FY2022			FY2021		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall	7.7%	90.4%	1.9%	8.3%	87.5%	4.2%
Management level	3.2%	93.6%	3.2%	–	88.9%	11.1%
Non-management level	14.3%	85.7%	–	13.3%	86.7%	–

To promote equal opportunity, we have implemented various human resource measures as follows:

- A human resource policy is in place to select employees based on merit and competency;
- For staff recruitment, advertisements do not include age, race, gender nor religion preferences; and
- Employee handbook and a code of conduct are in place to disseminate corporate culture.

⁹ Not applicable as this is a newly disclosed Sustainability Factor added in this Report.

SUSTAINABILITY REPORT

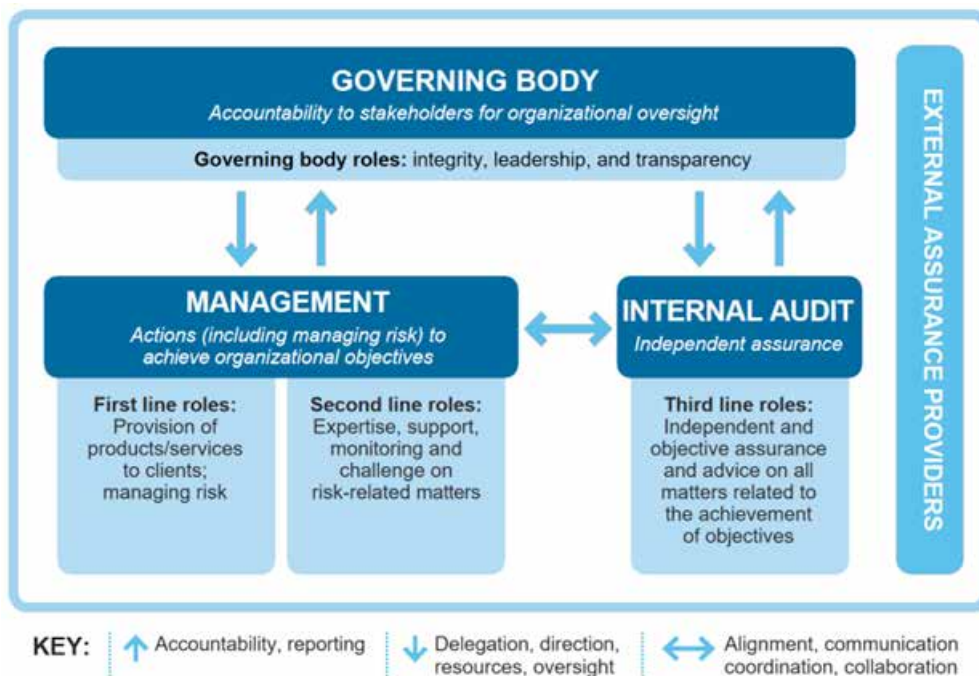
During the Reporting Period, we have no (FY2021: zero) reported incident of unlawful discrimination against employees.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero reported incident of unlawful discrimination against employees	No reported incident of unlawful discrimination against employees	On-going and long-term target Maintain zero reported incident of unlawful discrimination against employees

8.8 Robust corporate governance framework

A high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long term shareholder value. Accordingly, we are committed to conducting our business with utmost integrity by preventing corruption of any form, including bribery, and complying with the Prevention of Corruption Act of Singapore. We firmly believe that proactive anti-corruption practices are vital in creating an environment that supports the success of our business and that important values such as responsibility and honesty need to be constantly embedded within our business practices. This in turn helps to support and maintain our business continuity.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("IIA"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



The IIA's Three Lines Model

We have implemented a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. Employee handbook and a code of conduct are in place to provide guidance on corporate behaviour and the culture of the business.

During the Reporting Period, no incident of serious offence was reported (FY2021: zero). Our overall SGTI score assessed by National University of Singapore Business School is 66 for the year 2022 (Year 2021: 48). We will continuously work towards improving our corporate governance practices.





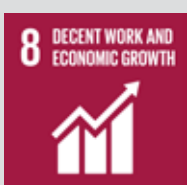
SUSTAINABILITY REPORT

You may refer to Corporate Governance Report of this Annual Report for details for our corporate governance practices.




Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incident of serious offence	No incident of serious offence reported	<u>On-going and long-term target</u> Maintain zero incident of serious offence

9. Supporting the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDG, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important role in advancing sustainable development and in order to align our business objectives with the SDGs, we have identified a number of SDGs which we can contribute through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

SDG		Our effort
	Ensure healthy lives and promote well-being for all at all ages	<u>Section 8.5 Occupational health and safety</u> We implement measures to ensure a safe and secure working environment for our employees.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities	<u>Section 8.6 Employee development and retention</u> We invest in training, education and development of our people to enhance our business competencies.
	Ensure availability and sustainable management of water and sanitation for all	<u>Section 8.2 Water conservation</u> We implement checks and measures to reduce water wastage in our business operations, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
	Ensure access to affordable, reliable, sustainable and modern energy for all	<u>Section 8.3 Energy conservation and emission reduction</u> We implement measures to reduce our energy consumption as not only does it help to improve energy efficiency and reduce GHG emissions, it also helps us to reduce costs incurred to support our business operations.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<u>Section 8.1 Sustainable business performance</u> We contribute to economic growth through creating long-term economic value for our shareholders.

SUSTAINABILITY REPORT

SDG		Our effort
	Reduce inequality within and among countries	<u>Section 8.7 Equality and diversity in the workplace</u> We provide equal opportunity for all regardless of gender, age and educational background.
	Ensure sustainable consumption and production patterns	<u>Section 8.4 Optimal waste management</u> We are committed to minimise wastage in our operations and minimise the potential impact of our operations on the environment.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels	<u>Section 8.8 Robust corporate governance framework</u> We maintain a high standard of corporate governance to safeguard our shareholders' interests and maintain the transparency and integrity of our business.

10. Supporting the TCFD

We are committed to support the recommendations by the TCFD and has disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Key area	Our approach
Governance	<p>The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.</p> <p>Our sustainability strategy is developed and directed by the Group's SC in consultation with the Board. The Group's SC includes representatives from key Group functions. The Group's senior management advises the SC in reviewing our sustainability progress. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.</p>
Strategy	<p>The climate-related risks and opportunities identified by the Group during the climate-risk identification exercise include the following:</p> <ul style="list-style-type: none"> ■ The reputational and financial risks for not meeting the demands of regulators and shareholders amidst the enhanced emissions reporting requirements. ■ On the other hand, such obligations raise climate awareness amongst our employees and with more defined job responsibilities and training, the Group will be in a better position to meet the rising needs and expectation of our customers on the environment. <p>We are currently looking into conducting climate-related scenario analysis consistent with the TCFD's recommendation, wherever possible, using commonly agreed sector/subsector scenarios and time horizons, to anticipate and manage climate change impacts.</p>

SUSTAINABILITY REPORT

Key area	Our approach
Risk Management	<p>A climate-risk identification exercise is in place to guide the Group in the identification, analysis and evaluation of risks, implementation of risk treatment plans and continuous monitoring of risks.</p> <p>The Group's climate related risks and opportunities are identified and assessed during a climate-risk identification exercise. The climate-related risks and their related opportunities and treatment plans are also reviewed and updated during the climate-risk identification exercise and are presented to the Audit Committee along with the other Group's key risks. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.</p>
Metrics and targets	<p>We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our sustainability report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.</p> <p>To support the climate change agenda, we disclose our Scope 2 GHG emission¹⁰ in the sustainability report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable.</p>

¹⁰ GHG emission for Scope 1 is not disclosed as it is not material

SUSTAINABILITY REPORT

11. GRI Content Index

Statement of use	Adventus Holdings Limited has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Cover page, 2, 42,44,73
	2-2 Entities included in the organization's sustainability reporting	44
	2-3 Reporting period, frequency and contact point	44
	2-4 Restatements of information	None
	2-5 External assurance	44
	2-6 Activities, value chain and other business relationships	2-3, 91-97
	2-7 Employees	43, 50-51
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	4-5, 9-12, 45
	2-10 Nomination and selection of the highest governance body	16-20
	2-11 Chair of the highest governance body	4-5, 13-16
	2-12 Role of the highest governance body in overseeing the management of impacts	45
	2-13 Delegation of responsibility for managing impacts	45
	2-14 Role of the highest governance body in sustainability reporting	45
	2-15 Conflicts of interest	9-12, 16
	2-16 Communication of critical concerns	26-29, 52-53
	2-17 Collective knowledge of the highest governance body	9-15, 50-51
	2-18 Evaluation of the performance of the highest governance body	20
	2-19 Remuneration policies	21-25
	2-20 Process to determine remuneration	21-25
	2-21 Annual total compensation ratio	Information not provided due to confidentiality constraints
	2-22 Statement on sustainable development strategy	2-3, 42-43
	2-23 Policy commitments	52-55
	2-24 Embedding policy commitments	52-53
	2-25 Processes to remediate negative impacts	26-29, 52-53
	2-26 Mechanisms for seeking advice and raising concerns	26-29, 52-53
	2-27 Compliance with laws and regulations	51-53
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	44-45
	2-30 Collective bargaining agreements	None

SUSTAINABILITY REPORT

GRI standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	45-46
	3-2 List of material topics	47-53
	3-3 Management of material topics	47-53
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	47-48, 68-69
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	52-53
GRI 302: Energy 2016	302-3 Energy intensity	48-49
GRI 303: Water and Effluents 2018	303-5 Water consumption	48
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	48-49
	305-4 GHG emissions intensity	48-49
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	50-51
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	49
	403-10 Work-related ill health	49
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	51-52
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	51-52

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the balance sheet of the Company as at 31 December 2022.

In the opinion of the directors,

- (i) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 68 to 120 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Chin Bay Ching (appointed on 26 January 2023)
Chin Rui Xiang
Gersom G Vetuz
Loh Eu Tse Derek
Wong Loke Tan

Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022	At 31.12.2022	At 1.1.2022
The Company				
(No. of ordinary shares)				
Chin Bay Ching (appointed on 26 January 2023)	506,739,359	506,739,359	249,865,772	249,865,772
Gersom G Vetuz	2,200,000	2,200,000	–	–

By virtue of Section 7 of the Singapore Companies Act 1967, Chin Bay Ching is deemed to have interests in the shares of all the subsidiary corporations at the beginning and at the end of the financial year.

The directors' interests in the ordinary shares of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

DIRECTORS' STATEMENT

Share Options

Options to take up unissued shares

The Company held an Extraordinary General Meeting on 30 April 2015 where the shareholders approved new employee share option scheme, name as Adventus Employee Share Option Scheme (the “**New Scheme**”). All the outstanding options that were previously granted under the SNF 2004 Share Option Scheme have lapsed as at 31 December 2017 and there are no options of New Scheme granted as at 31 December 2022.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit Committee

The members of the Audit Committee (“**AC**”) at the end of the financial year were as follows:

Gersom G Vetuz	(Chairman, Independent Director)
Loh Eu Tse Derek	(Member, Independent Director)
Wong Loke Tan	(Member, Independent Director)

The AC of the Company, consisting of all non-executive independent directors. The AC has met two times since the last Annual General Meeting (“**AGM**”) and has reviewed the following, where relevant, with the executive directors, independent auditor and internal auditor of the Company:

- (a) The audit plans and results of the internal auditor’s examination and evaluation of the Group’s systems of internal accounting controls;
- (b) The Group’s financial and operating results and accounting policies;
- (c) The audit plan of the Group’s independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (d) The balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and independent auditor’s report on those financial statements;
- (e) The half-yearly and annual results announcement as well as the related press releases of the Group;
- (f) The co-operation and assistance given by management to the Group’s independent auditor and internal auditor; and
- (g) The re-appointment of the independent auditor of the Group.

The AC has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor and internal auditor have unrestricted access to the AC.

The AC has recommended to the directors the nomination of CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) for re-appointment as independent auditor at the forthcoming AGM of the Company.

DIRECTORS' STATEMENT

Independent Auditor

The independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), has expressed its willingness to accept re-appointment.

On behalf of the directors

Chin Rui Xiang
Director

Gersom G Vetuz
Director

13 April 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Adventus Holdings Limited (the "**Company**") and its subsidiary corporations (the "**Group**") which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 68 to 120.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Going concern</p> <p>As disclosed in Note 2.1 to the financial statements, the Group incurred a net loss of \$2,781,710 and net cash used in operating activities of \$1,348,140 for the financial year ended 31 December 2022, which was mainly due to no revenue was generated from the Group's hotel operations as a result of the delay in completing the construction caused by the COVID-19 pandemic. The Group is exposed to an increased liquidity risk, in relation to its ability to fulfil commitments to repay the existing indebtedness to suppliers and to finance the construction of the projects of Regis Bay Vietnam Investment Joint-Stock Company ("Regis Bay") and Hoi An Pearl Joint Stock Company ("HAP").</p> <p>Notwithstanding the above, management is of the view that the Group will continue to operate on a going concern, having assessed the following sources of funding available to the Group for the next 12 months from the date of the financial statements:</p> <ul style="list-style-type: none"> • The unutilised committed borrowings from a related party amounting to approximately \$9,128,000; • The unutilised bank borrowing facilities of approximately \$1,265,000 as at 31 December 2022 to finance the construction of project in Hoi An, Vietnam; • The Group received written consent from a director, a non-controlling shareholder of subsidiary corporation and a related party subsequent to the financial year end to defer payments for outstanding balance of \$146,450, \$1,357,495 and \$4,341,458 respectively which are due in the financial year ending 31 December 2023 for another 12 months; and • The proportionate contribution of cost to completion and repayment of bank borrowings from non-controlling shareholder for both projects in Vietnam. <p>In carrying out the going concern assessment, significant judgements are involved in estimating the remaining cash commitment of the projects and other operating expenses in completing the projects, therefore this is considered as a key audit matter.</p>	<p>In obtaining sufficient audit evidence, the following procedures were carried out:</p> <ol style="list-style-type: none"> 1. Reviewed management's assessment on going concern through obtaining management's forecast of the cash flows projection of the Group over the next 12 months; 2. Challenged the appropriateness of the key assumptions used by the management in the cash flows projection, including timing of cash inflows, availability of funds and cash required for construction and operations; 3. Discussed with management on any material judgements, events or conditions identified and obtained relevant supporting documents for verification; 4. Reviewed minutes of board meetings and relevant committees for events and conditions after the financial year end to identify factors relevant, if any, to the going concern assumption as a basis for the preparation of the financial statements; and 5. Evaluated the adequacy and appropriateness of the disclosures made in Note 2.1 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Impairment of property, plant and equipment (“PPE”) and right-of-use (“ROU”) assets in relation to the on-going projects (Refer to Notes 2.4, 2.8, 2.14, 3(b), 14 and 15 to the financial statements)</p> <p>On 9 January 2017, the Group signed an agreement with a non-related party in Vietnam to set up Regis Bay to invest in real estate projects in Vietnam.</p> <p>On 5 January 2018, the Group signed an agreement with non-related parties in Vietnam to operate HAP and to develop a resort on a piece of land in Hoi An, Vietnam.</p> <p>All the expenses incurred including borrowing costs directly attributable to the construction of the above on-going projects are capitalised within PPE as construction in progress.</p> <p>In addition to the capitalisation of construction and borrowing costs, the Group also made an upfront payment to secure the land-use rights of leasehold land of the projects which is recognised as prepaid leases under ROU assets.</p> <p>As at 31 December 2022, the carrying amount of the Group’s PPE and ROU assets in relation to the above on-going projects was \$72,256,903 and \$1,518,741 (2021: \$63,610,028 and \$1,633,635) respectively which represents approximately 88% (2021: 83%) of the Group’s total assets.</p>	<p>In obtaining sufficient audit evidence, the following procedures were carried out:</p> <ol style="list-style-type: none"> 1. Reviewed management’s assessment of impairment indication for PPE and ROU assets by assessing the appropriateness of the assumption or justifications used and rationale applied by management; 2. Obtained the independent valuation reports from management; 3. Evaluated the competencies, capabilities and objectivity of the management expert; 4. Together with our internal valuation specialist, reviewed the reasonableness of the key assumptions and valuation methodologies used, tested and challenged the underlying assumptions of the calculation as well as the reasonableness of discount rate used in determining the recoverable amount of the PPE and ROU assets; 5. Reviewed the sensitivity analyses in consideration of the potential impact of possible downside changes in these key assumptions; and 6. Reviewed the adequacy and appropriateness of the disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Impairment of property, plant and equipment (“PPE”) and right-of-use (“ROU”) assets in relation to the on-going projects (continued) (Refer to Notes 2.4, 2.8, 2.14, 3(b), 14 and 15 to the financial statements)</p> <p>In accordance with SFRS(I) 1-36 Impairment of assets, management has assessed that there is objective evidence and indication that PPE and ROU assets of the Group may be impaired due to the potential adverse effect on the recoverable amount as a result of the delayed in completing the projects, therefore management has carried out an impairment exercise during the financial year. For the purpose of performing impairment assessment, management has engaged an independent property valuer (the “management expert”) to assist the Group in determining the recoverable amount of the PPE and ROU assets. Based on the impairment exercise, no impairment is required to be recognised during the financial year ended 31 December 2022 as the recoverable amount is higher than the carrying amount of the PPE and ROU assets.</p> <p>We focus on this area because the assessment made by the Group involved the use of judgement over the indication of impairment indicators and significant estimates, judgements and assumptions made by management and the management expert such as estimated market values from comparable properties, forecasted revenue and operating expenses, sales growth rates, gross profit margin and discount rates applied to these future discounted cashflows.</p>	

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Chan Siew Ting.

**CLA Global TS Public Accounting Corporation
(Formerly Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants**

**Singapore
13 April 2023**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income			
- Interest	6	136,126	506,898
- Others	6	35,781	41,955
Other (losses)/gains - net	7	(1,510,224)	958,049
Expenses			
- Administrative	4	(1,626,008)	(1,445,578)
- Finance	8	(110,556)	(62,020)
Loss before income tax		(3,074,881)	(696)
Income tax credit	9(a)	293,171	285,095
Net (loss)/profit for the financial year		(2,781,710)	284,399
Other comprehensive (loss)/income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – (losses)/gains	21(b)	(245,615)	165,812
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – (losses)/gains	21(b)	(228,598)	404,926
Total comprehensive (loss)/income		(3,255,923)	855,137
Net (loss)/profit attributable to:			
Equity holders of the Company		(1,456,370)	(626,632)
Non-controlling interests		(1,325,340)	911,031
		(2,781,710)	284,399
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(1,701,985)	(460,820)
Non-controlling interests		(1,553,938)	1,315,957
		(3,255,923)	855,137
Loss per share attributable to equity holders of the Company (cents per share)			
- basic and diluted (cents)	10	(0.06)	(0.03)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2022

	Note	Group		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and bank balances	11	6,118,256	4,772,728	2,626,512	1,927,835
Other receivables	12	2,145,230	6,119,179	22,760,825	17,740,847
Total current assets		8,263,486	10,891,907	25,387,337	19,668,682
Non-current assets					
Other receivables	12	–	1,597,665	–	–
Investments in subsidiary corporations	13	–	–	701	751
Property, plant and equipment	14	72,271,546	63,635,009	1,633	4,082
Right-of-use assets	15	1,561,651	1,653,133	42,910	19,498
Deferred tax assets	19	1,352,883	1,055,138	–	–
		75,186,080	67,940,945	45,244	24,331
Total assets		83,449,566	78,832,852	25,432,581	19,693,013
LIABILITIES					
Current liabilities					
Other payables	16	9,738,229	6,689,136	8,033,972	6,176,844
Lease liabilities	17	19,077	20,104	19,077	20,104
Bank borrowings	18	5,800,116	3,674,460	–	–
Total current liabilities		15,557,422	10,383,700	8,053,049	6,196,948
Non-current liabilities					
Other payables	16	93,562	96,604	–	–
Lease liabilities	17	24,019	–	24,019	–
Bank borrowings	18	43,977,069	41,588,196	–	–
Total non-current liabilities		44,094,650	41,684,800	24,019	–
Total liabilities		59,652,072	52,068,500	8,077,068	6,196,948
Net assets		23,797,494	26,764,352	17,355,513	13,496,065
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	55,499,473	52,411,370	55,499,473	52,411,370
Currency translation reserve	21	(644,784)	(465,499)	–	–
Accumulated losses		(37,809,165)	(35,180,504)	(38,143,960)	(38,915,305)
		17,045,524	16,765,367	17,355,513	13,496,065
Other reserve	21	–	(3,376,847)	–	–
Non-controlling interests	13	6,751,970	13,375,832	–	–
Total equity		23,797,494	26,764,352	17,355,513	13,496,065

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

Group 2022	Attributable to equity holders of the Company							
	Note	Share capital \$	Currency translation reserve \$	Accumulated losses \$	Total \$	Other reserve \$	Non- controlling interests \$	Total \$
Balance as at 1 January 2022		52,411,370	(465,499)	(35,180,504)	16,765,367	(3,376,847)	13,375,832	26,764,352
Net loss for the financial year		-	-	(1,456,370)	(1,456,370)	-	(1,325,340)	(2,781,710)
Other comprehensive loss for the financial year		-	(245,615)	-	(245,615)	-	(228,598)	(474,213)
Issue of shares	20	3,156,300	-	-	3,156,300	-	-	3,156,300
Share issue expenses	20	(68,197)	-	-	(68,197)	-	-	(68,197)
Struck off of a subsidiary corporation	13	-	66,330	550,626	616,956	-	(616,956)	-
Non-controlling interests arising from acquisition of a subsidiary corporation	28(c)	-	-	-	-	-	(29,015)	(29,015)
Acquisition of non-controlling interests without a change in control	13(b)	-	-	(1,722,917)	(1,722,917)	3,376,847	(4,423,953)	(2,770,023)
Balance as at 31 December 2022		55,499,473	(644,784)	(37,809,165)	17,045,524	-	6,751,970	23,797,494
2021								
Balance as at 1 January 2021		52,411,370	(631,311)	(34,553,872)	17,226,187	(3,376,847)	12,059,875	25,909,215
Net (loss)/profit for the financial year		-	-	(626,632)	(626,632)	-	911,031	284,399
Other comprehensive income for the financial year		-	165,812	-	165,812	-	404,926	570,738
Balance as at 31 December 2021		52,411,370	(465,499)	(35,180,504)	16,765,367	(3,376,847)	13,375,832	26,764,352

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

Note	2022 \$	2021 \$
Cash flows from operating activities		
Loss before income tax	(3,074,881)	(696)
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment	4 9,760	20,362
- Depreciation of right-of-use assets	4 77,407	77,238
- Impairment of goodwill	4 44,123	-
- Waiver of loan from shareholder	6 (35,134)	-
- Interest income	6 (136,126)	(506,898)
- Interest expense	8 110,556	62,020
- Foreign exchange losses/(gains), net	1,714,665	(861,587)
	<u>(1,289,630)</u>	<u>(1,209,561)</u>
Change in working capital, net of effects from acquisition and disposal of subsidiary corporations		
- Other receivables	(712,954)	3,018,036
- Other payables	659,018	(1,569,591)
Cash (used in)/generated from operations	(1,343,566)	238,884
Income tax paid	9(b) (4,574)	(4,972)
Net cash (used in)/generated from operating activities	<u>(1,348,140)</u>	<u>233,912</u>
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	28(b) 3,862	-
Additions to property, plant and equipment	(6,622,184)	(6,776,836)
Proceed from divestment in joint venture	-	1,683,703
Prepayment for property, plant and equipment	(1,325,290)	(1,597,665)
Loan receivable from non-controlling shareholders	-	(883,576)
Interest paid	(3,421,613)	(2,307,108)
Interest received	26,933	351,054
Net cash used in investing activities	<u>(11,338,292)</u>	<u>(9,530,428)</u>
Cash flows from financing activities		
Loan from a shareholder	-	15,796
Loan from non-controlling interest shareholder	1,357,495	-
Loan from related party	4,465,050	-
Interest paid	(85,829)	(60,412)
Repayment to a shareholder	-	(553,551)
Proceeds from bank borrowings	8,319,753	12,658,927
Repayment of bank borrowings	(2,962,843)	(1,103,086)
Repayment of lease liabilities	(24,600)	(24,600)
Proceeds from issuance of new shares, net of issuance expenses	20 3,088,103	-
Net cash generated from financing activities	<u>14,157,129</u>	<u>10,933,074</u>
Net increase in cash and cash equivalents	1,470,697	1,636,558
Cash and cash equivalents		
Beginning of financial year	3,231,790	1,535,397
Effects of currency translation on cash and cash equivalents	(117,075)	59,835
End of financial year	<u>11 4,585,412</u>	<u>3,231,790</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

Reconciliation of liabilities arising from financing activities

	1 January 2022	Proceeds from borrowings	Principal and interest payments	Interest expense	Non-cash changes		Addition – new lease	31 December 2022
					Waiver	Foreign exchange movement		
	\$	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	45,262,656	8,319,753	(6,470,285)	3,507,442	–	(842,381)	–	49,777,185
Lease liabilities	20,104	–	(24,600)	780	–	–	46,812	43,096
Loan from a shareholder	181,584	–	–	–	(35,134)	–	–	146,450
Loan from related party	–	4,465,050	–	23,947	–	(147,539)	–	4,341,458
Loan from non- controlling interest shareholder	–	1,357,495	–	–	–	–	–	1,357,495
	1 January 2021	Proceeds from borrowings	Principal and interest payments	Interest expense	Waiver	Foreign exchange movement	Addition – new lease	31 December 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	33,063,655	12,658,927	(3,470,606)	2,367,520	–	643,160	–	45,262,656
Lease liabilities	43,096	–	(24,600)	1,608	–	–	–	20,104
Loan from a shareholder	719,339	15,796	(553,551)	–	–	–	–	181,584

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General information

Adventus Holdings Limited (the “**Company**”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are disclosed in Note 13 to the financial statements.

Impact of COVID-19

On 30 January 2020, the World Health Organisation declared the outbreak a Public Health Emergency of International Concern. The outbreak was subsequently characterised as a pandemic on 11 March 2020.

In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement and reduced demand in recreational activities.

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movements controls and other measures imposed by the various governments. The Group’s significant operations are in Vietnam, of which have been affected by the spread of COVID-19 since 2020.

Set out below is the impact of COVID-19 on the Group’s financial performance reflected in this set of financial statements for the financial year ended 31 December 2022.

- i. The Group had assessed that the going concern basis of preparation for this set of financial statements remains appropriate based on the sources of funding available to the Group as disclosed in Note 2.1 to the financial statements.
- ii. In the first half of 2022, border closures, production stoppages and workplace closures had resulted in periods where the Group’s operations were temporarily suspended to adhere to the Vietnam governments’ movement control measures. These had resulted in the delay of the progress of the on-going projects in Regis Bay Vietnam Investment Joint-Stock Company (“**Regis Bay**”) and Hoi An Pearl Joint Stock Company (“**HAP**”).
- iii. The Group has considered the market conditions including the impact of COVID-19 as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2022. The significant estimates and judgements applied are disclosed in Note 3 to the financial statements.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) under the historical cost convention, except as disclosed in the accounting policies below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern

The Group incurred a net loss of \$2,781,710 and net cash used in operating activities of \$1,348,140 for the financial year ended 31 December 2022, which was mainly due to no revenue was generated from the Group's hotel operations as a result of the delay in completing the construction caused by the COVID-19 pandemic. The Group is exposed to an increased liquidity risk, in relation to their ability to fulfil commitments to repay their existing indebtedness to suppliers and to finance the construction of the projects in Regis Bay Vietnam Investment Joint-Stock Company ("**Regis Bay**") and Hoi An Pearl Joint Stock Company ("**HAP**").

Management is of the view that the Group will continue to operate on a going concern and there is no material uncertainty related to these events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, having assessed the following sources of funding available to the Group for the next 12 months from the date of the financial statements.

- The unutilised committed borrowings from a related party amounting to approximately \$9,128,000;
- The unutilised bank borrowing facilities of approximately \$1,265,000 as at 31 December 2022 to finance the construction of project in Hoi An, Vietnam;
- The Group received written consent from a director, a non-controlling shareholder of subsidiary corporation and a related party subsequent to the financial year end to defer payments for outstanding balance of \$146,250, \$1,357,495 and \$4,341,458 respectively which are due in the financial year ending 31 December 2023 for another 12 months; and
- The proportionate contribution of cost to completion and repayment of bank borrowings from non-controlling shareholder for both projects in Vietnam.

In carrying out the going concern assessment, significant judgements are involved in estimating the remaining cash commitment of the projects and other operating expenses in completing the projects. Based on the sources of funding indicated above, management is confident that the strategies in place will improve the financial position of the Group so as to continue in operational existence for at least 12 months from the date of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern (continued)

Accordingly, the accompanying financial statements did not include any adjustments relating to the realisation and classification of asset and liability amounts that may be necessary if the Group and the Company were unable to continue as going concerns. Should the going concern assumption be inappropriate, adjustments may have to be made to:

- (i) reflect the situation that assets may need to be realised other than their carrying amounts;
- (ii) provide for further liabilities that might arise; and
- (iii) reclassify non-current assets and non-current liabilities as current.

2.2 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.3 Group accounting

(a) *Subsidiary corporations*

- (i) Consolidation

Subsidiary corporations are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) *Subsidiary corporations* (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

Please refer to Note 2.5 "Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposal

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.4 Property, plant and equipment

(a) Measurement

(i) Construction in progress

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price, borrowing costs (refer to Note 2.6 on borrowing costs) and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Furniture and fittings	3 – 10 years
Office equipment	3 – 10 years
Renovation	3 – 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Depreciation of construction in progress commence when the assets are ready for their intended use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other (losses)/gains - net".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.5 Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

- (b) *Property, plant and equipment*
Right-of-use assets
Investments in subsidiary corporations

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.9 Financial assets

- (a) *Classification and measurement*

The Group classifies its financial assets at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25(b) details how the Group determines whether there has been a significant increase in credit risk.

For other financial assets, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from contract with customers*; and
- (b) the amount of expected loss allowance computed using the impairment methodology under Note 2.9.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.13 Other payables

Other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as below:

	<u>Useful lives</u>
Prepaid lease - Leasehold land	31.5 years
Office premise	2 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.14 Leases (continued)

When the Group is the lessee: (continued)

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments includes fixed payment (including in-substance fixed payments), less any lease incentives receivables.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.15 Income taxes (continued)

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, Social Insurance, Health insurance and Unemployment insurance on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Short-term compensated absences*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“**functional currency**”). The financial statements are presented in Singapore Dollar (“**SGD**” or “**\$**”), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency (“**foreign currency**”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in profit or loss within “other gains/(losses) - net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 Significant accounting policies (continued)

2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.22 Interest income

Interest income is recognised using the effective interest rate method.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

- (a) Control over Regis Bay Vietnam Investment Joint-Stock Company ("**Regis Bay**")

Note 13 to the financial statements describes that Regis Bay is a subsidiary corporation of the Group since 2018 even though the Group has no equity interests in this entity. Management has assessed whether or not the Group has control over this entity based on whether the Group has the practical ability to direct the relevant activities of this entity unilaterally and has the power to appoint and remove the majority of the board members of these entities. Based on the assessment as set out in Note 13 to the financial statements, management is of the view that it has control over this entity. Accordingly, the results of this entity have been consolidated in the Group's financial statements.

- (b) Impairment of property, plant and equipment ("**PPE**") and right-of-use ("**ROU**") assets in relation to the on-going projects for HAP and Regis Bay

PPE and ROU assets on land use right are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The Group assesses whether PPE and ROU assets has any indication of impairment in accordance with its accounting policy. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value less costs to sell and value-in-use.

Management has engaged an independent property valuer to assist the Group in determining the recoverable amount of the PPE and ROU assets as at the end of the financial year. The determination of the recoverable amount of the PPE and ROU assets involves the use of significant estimates, judgements and assumptions made by management and the independent property valuer such as estimated market values from comparable properties, forecasted revenue and operating expenses, sales growth rates, gross profit margin and discount rates.

Based on the impairment exercise, no impairment is required to be recognised during the financial years ended 31 December 2022 and 2021 as the recoverable amount is higher than the carrying amount of the PPE and ROU assets in relation to the on-going projects for HAP and Regis Bay amounted to \$72,256,903 and \$1,518,741 (2021: \$63,610,028 and \$1,633,635) respectively. The change in the estimated recoverable amount from any reasonably possible change on the key estimates does not materially cause the recoverable amount to be lower than its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 Critical accounting estimates, assumptions and judgements (continued)

Critical accounting estimates and assumptions (continued)

- (c) Expected credit losses (“ECL”) on other receivables

When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectation of future conditions. Any changes in the probability in default may result in a change in the loss allowance currently provided for. The carrying amount of the other receivables is disclosed in Note 12 to the financial statements.

4 Expenses by nature

	Group	
	2022	2021
	\$	\$
Audit fees paid/payable to:		
- Auditors of the Company	109,000	105,000
- Other auditors	26,547	25,486
	135,547	130,486
Depreciation of property, plant and equipment (Note 14)	9,760	20,362
Depreciation of right-of-use assets (Note 15)	77,407	77,238
Directors’ fees of the Company	125,000	125,000
Directors’ remuneration of the Company	252,000	236,614
Employee compensation (Note 5)	701,539	473,750
Impairment of goodwill (Note 28(d))	44,123	–
Professional fees	148,860	130,344
Rental expense - short-term lease (Note 15(c))	23,971	22,466
Others	107,801	229,318
	1,626,008	1,445,578

5 Employee compensation

	Group	
	2022	2021
	\$	\$
Salaries and bonuses	617,744	412,349
Employer’s contribution to defined contributions plans including Central Provident Fund	83,795	61,401
	701,539	473,750

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6 Other income

	Group	
	2022	2021
	\$	\$
Interest income		
- Bank deposits	26,933	21,972
- Loan to non-controlling interest shareholder	109,193	484,926
	<u>136,126</u>	<u>506,898</u>
Government grant income		
- Jobs Support Scheme	-	26,808
- Others	-	15,147
Waiver of loan from shareholder (Note 16)	35,134	-
Others	647	-
	<u>35,781</u>	<u>41,955</u>
	<u>171,907</u>	<u>548,853</u>

7 Other (losses)/gains- net

	Group	
	2022	2021
	\$	\$
Foreign exchange (loss)/gain - net	(1,510,224)	958,049

8 Finance expenses

	Group	
	2022	2021
	\$	\$
Interest on lease liabilities (Note 15(b))	780	1,608
Interest on bank loan	85,829	60,412
Interest on loan from a related party	23,947	-
	<u>110,556</u>	<u>62,020</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 Income taxes

(a) Income tax credit

	Group	
	2022	2021
	\$	\$
Tax credit attributable to profit or loss is made up of:		
Current income tax - under provision in prior financial years	4,574	4,972
Deferred income tax (Note 19)	(297,745)	(290,067)
	<u>(293,171)</u>	<u>(285,095)</u>

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2022	2021
	\$	\$
Loss before income tax	(3,074,881)	(696)
Tax calculated using Singapore tax rate of 17% (2021: 17%)	(522,730)	(119)
Effects of:		
- different tax rates in other countries	(52,480)	(24,250)
- expenses not deductible for tax purposes	278,455	166,772
- income not subject to tax	(275,976)	(450,988)
- deferred tax assets not recognised	275,950	25,760
- utilisation of previously unrecognised deferred tax benefits	-	(13,576)
- under provision of tax in prior financial years	4,574	4,972
- others	(964)	6,334
Tax credit	<u>(293,171)</u>	<u>(285,095)</u>

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of \$2,665,234 (2021: \$1,381,123) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. During the current financial year ended 2022, unrecognised tax losses of \$339,126 (2021: Nil) has expired. Certain tax losses of subsidiary corporations have an expiry date of 5 years from the financial year where the tax losses arise from.

(b) Movement in current tax liabilities

	Group	
	2022	2021
	\$	\$
Beginning of financial year	-	-
Income tax paid	(4,574)	(4,972)
Under provision in prior financial years	4,574	4,972
End of financial year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

10 Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
Net loss attributable to equity holders of the Company (\$)	(1,456,370)	(626,632)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,311,614	1,950,619
Basic loss per share (cents per share)	(0.06)	(0.03)

As at 31 December 2022 and 2021, the Group does not have any dilutive potential ordinary shares. Accordingly, the basic and diluted loss per share are the same.

11 Cash and bank balances

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash at bank and on hand	4,585,412	3,231,790	2,626,512	1,927,835
Pledged deposits	1,532,844	1,540,938	-	-
	6,118,256	4,772,728	2,626,512	1,927,835

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2022	2021
	\$	\$
Cash and bank balances (as above)	6,118,256	4,772,728
Less: Pledged deposits	(1,532,844)	(1,540,938)
Cash and cash equivalents in the consolidated statement of cash flows	4,585,412	3,231,790

Bank deposits are pledged in relation to the security granted for certain bank borrowings (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

12 Other receivables

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current				
Other receivables				
- subsidiary corporations ⁽¹⁾	–	–	23,126,446	18,024,318
Less: loss allowance Note 25(b))	–	–	(389,997)	(316,305)
	–	–	22,736,449	17,708,013
- non-related parties	784,028	130,194	119,487	119,487
Less: loss allowance (Note 25(b))	(116,686)	(116,686)	(116,686)	(116,686)
	667,342	13,508	2,801	2,801
Loan receivables from non-controlling interest shareholder ⁽²⁾	–	6,012,194	–	–
Advances to contractors	1,325,290	–	–	–
Advances to staff	73,695	61,426	–	–
Prepayments	73,625	27,951	17,475	25,933
Deposits	5,278	4,100	4,100	4,100
	2,145,230	6,119,179	22,760,825	17,740,847
Non-current				
Advances to contractors	–	1,597,665	–	–
Total other receivables	2,145,230	7,716,844	22,760,825	17,740,847

⁽¹⁾ The other receivables from subsidiary corporations are unsecured, interest free and repayable on demand.

⁽²⁾ In 2018, one of the Group's wholly-owned subsidiary corporation, ADV S2 Pte. Ltd. ("**ADV S2**"), invested in HAP in the form of a loan with one of the non-controlling interest shareholders. A loan agreement was signed on 5 January 2018.

According to the loan agreement, the key terms and conditions of the loan are:

- The loan amount shall be VND56.1 billion (approximately \$3.8 million at transaction date).
- The term of the loan shall be 9 months from the disbursement date (8 January 2018), and extension subject to agreement by the parties. On 25 March 2022, the Group has converted the outstanding balance as cost of investment in subsidiary corporation upon the completion of shares transfer from non-controlling interest shareholders (Note 13).
- The loan is subject to an interest rate to be determined by ADV S2, which shall be at a minimum interest rate equivalent to the published fixed deposit interest rates of one of the banks in Vietnam with reference on the disbursement date, and at a maximum interest rate of 13% per annum. During the financial year, ADV S2 charged an interest of 13% (2021: 13%) per annum to the non-controlling interest shareholder.

In 2021, ADV S2, made an additional investment in HAP in the form of a loan with one of the non-controlling interest shareholders. A loan agreement was signed on 1 February 2021.

According to the loan agreement, the key terms and conditions of the loan are:

- The loan amount shall be VND15.4 billion (approximately \$883,576 at transaction date).
- The term of the loan shall be 365 days from the disbursement date (1 February 2021), and extension subject to agreement by the parties. Subsequent to the financial year ended 31 December 2021, the term of the loan has been extended to January 2023.
- The loan is subject to an interest rate of 5% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 Investments in subsidiary corporations

	Company	
	2022	2021
	\$	\$
Beginning of financial year	751	751
Acquisition	600	–
Struck off	(650)	–
End of financial year	701	751

One of the Group's subsidiary corporations, Crimson Star Development Pte. Ltd. which has been dormant since 1 January 2019, was struck off on 8 August 2022.

The Group has the following subsidiary corporations as at 31 December 2022 and 2021:

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2022	2021
			%	%
<u>Held by the Company</u>				
Adventus Investments (Vietnam) Pte. Ltd. ⁽¹⁾	Residential property development	Singapore	100	100
Crimson Star Development Pte. Ltd. ⁽⁵⁾	Dormant	Singapore	–	65
Northern Cardinal Commodities Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
Bay Hospitality Pte. Ltd. ^{(1) (6)}	Management consulting services	Singapore	60	–
<u>Held by Adventus Investments (Vietnam) Pte. Ltd.</u>				
ADV S1 Pte. Ltd. ⁽¹⁾	Investment holding and property development	Singapore	100	100
ADV S2 Pte. Ltd. ⁽¹⁾	Investment holding and property development	Singapore	100	100
ADV S3 Pte. Ltd. ⁽⁷⁾	Investment holding and property development	Singapore	100	100
ADV Management Services Company Limited ⁽²⁾	Management consulting services	Vietnam	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2022 and 2021: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2022 %	2021 %
<u>Held by ADV S1 Pte. Ltd.</u>				
ADV V1 Holding Company Limited ⁽²⁾	Investment holding and property development	Vietnam	100	100
<u>Held by ADV V1 Holding Company Limited</u>				
Regis Bay Vietnam Investment Joint-Stock Company ⁽²⁾⁽³⁾	Hotel development	Vietnam	–	–
<u>Held by ADV S2 Pte. Ltd.</u>				
Hoi An Pearl Joint Stock Company ⁽²⁾⁽⁴⁾	Resort development	Vietnam	51	–
<u>Held by ADV Management Services Company Limited</u>				
AP Land Company Limited ⁽²⁾	Construction management services	Vietnam	51	51

⁽¹⁾ Audited by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), Singapore.

⁽²⁾ Audited by Nexia STT Co., Ltd, Vietnam.

⁽³⁾ The Group does not own equity interest in this subsidiary corporation but management has assessed that it has control over the subsidiary corporation based on SFRS (I) 10 *Consolidated Financial Statements*.

On 9 January 2017, the Group signed a joint venture agreement with Panthera Company Limited (“**Panthera**”), a property development company in Vietnam, to set up Regis Bay to hold and develop a project land into single block hotel. An amendment to the joint venture agreement was signed between the Group and Panthera on 24 April 2017.

The Group incorporated ADV S1 Pte. Ltd. (“**ADV S1**”) in Singapore and ADV V1 Holding Company Limited (“**ADV V1**”) in Vietnam for Group’s business development in Vietnam to support the abovementioned project.

ADV S1, through ADV V1, invests in Regis Bay in the form of a convertible loan with the option to convert loan into shares in Regis Bay. A convertible loan agreement was signed on 11 September 2017. The loan is convertible into equity interest in Regis Bay during the term of the loan till maturity or on full repayment, whichever is earlier. In the event of conversion, the convertible loan will be converted to shares of equivalent to the amount of the loan and equal to 75% of the charter capital of Regis Bay, regardless of how much the registered charter capital is at the time of conversion. In 2019, the Group entered into a supplemental agreement dated 19 November 2019 and reduced its equity interest from 75% to 51%.

Whilst the Group does not hold any equity interests in Regis Bay, management establishes control over Regis Bay on the following bases:

- (i) Ability to make key financial and operating policy decisions through its power to appoint majority of the board of Regis Bay;
- (ii) Any resolution of the Board of Directors and/or the general meeting of shareholders of Regis Bay shall be effective only with prior consent or approval in writing by the Group; and
- (iii) The Group has exposure to variable returns from its involvement with Regis Bay and has the ability to use its power over the investee to affect its returns via its convertible loan.

Accordingly, the results of Regis Bay had been consolidated in the Group’s financial statements since financial year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2022 and 2021: (continued)

⁽⁴⁾ Prior to 25 March 2022, the Group did not own equity interest in this subsidiary corporation but management has assessed that it has control over the subsidiary corporation. ADV S2 invests in HAP in the form of a loan with the legal shareholder of HAP (the non-controlling interest shareholder) and other terms and conditions set out in the joint venture agreement. The loan agreement was signed on 5 January 2018.

On 5 January 2018, the Group signed a joint venture agreement with Panthera, property development company in Vietnam, Mr. Tran Hoang Anh Tuan and Ms. Nguyen Thai Dong Huong, to operate HAP and to develop a resort on a piece of land at Khoi Xuyen Trung, Phuong Cam Nam, Hoi An, Quang Nam Province, Vietnam.

As set out in the joint venture agreement, 51% equity shares in HAP will be transferred to the Group pursuant to satisfaction of certain conditions precedent. Accordingly, prior to 25 March 2022, an amount due to non-controlling interest shareholder of \$3,327,764 has been accrued and a corresponding obligation to non-controlling interest shareholder has been set aside as "other reserve" (Note 21). Whilst the Group does not hold any equity interests in HAP, management establishes control over HAP on the following bases:

- (i) Ability to make key financial and operating policy decisions through its power to appoint majority of the board of HAP;
- (ii) Any resolution of the Board of Directors and/or the general meeting of shareholders of HAP shall be effective only with prior consent or approval in writing by the Group; and
- (iii) The Group has exposure to variable returns from its involvement with HAP and has the ability to use its power over the investee to affect its returns via its loan.

Accordingly, the results of HAP had been consolidated in the Group's financial statements since financial year ended 31 December 2018.

On 25 March 2022, 51% equity shares in HAP was transferred to the Group upon receipt of the latest Enterprise Registration Certificate issued by the Department of Planning and Investment, Quang Nam Province ("**Shares Transfer**"). Following the completion of the Shares Transfer, the Group effectively owns 51% of the equity interest in HAP (Note 13(b)).

⁽⁵⁾ Struck off on 8 August 2022.

⁽⁶⁾ Acquired on 10 November 2022 (Note 28).

⁽⁷⁾ Will undergo strike-off procedure.

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditor for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the Group.

As at 31 December 2022, the Group holds the following land-use-rights and properties under construction:

Held by companies	Location of property	Stage of completion and expected completion date	Land area and Gross Floor Area ("GFA") of property
Regis Bay Vietnam Investment Joint- Stock Company	Freehold land held at 17 Quang Trung Street, Hai Chau 1 Ward, Hai Chau District, Da Nang City, Vietnam	Construction in progress and expected to complete construction by 2023.	Land area = 1,562.7sqm GFA = 24,441 sqm
Hoi An Pearl Joint Stock Company	Leasehold land of remaining 33 years of tenure on Xuyen Trung Quarter, Cam Nam Ward, Hoi An City, Quang Nam Province, Vietnam	Construction in progress and expected to complete construction by 2023.	Land area = 11,797.6 sqm GFA = 9,933 sqm

Construction for the above properties have not been completed yet and hence, they are currently not in use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 Investments in subsidiary corporations (continued)

Details of non-wholly owned subsidiary corporations that has material non-controlling interests:

Name of subsidiary corporation	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Carrying amount of non-controlling interests	
		2022	2021	2022	2021	2022	2021
		%	%	\$	\$	\$	\$
Crimson Star Development Pte. Ltd.	Singapore	–	35	(21,107)	(17,050)	–	638,063
Bay Hospitality Pte Ltd	Singapore	40	–	(37,875)	–	(66,890)	–
Regis Bay Vietnam Investment Joint-Stock Company	Vietnam	100	100	(1,149,274)	1,027,936	2,735,863	3,959,553
Hoi An Pearl Joint Stock Company	Vietnam	49	100	(98,890)	(83,927)	3,984,404	8,670,482
AP Land Company Limited	Vietnam	49	49	(18,194)	(15,928)	98,593	107,734
				(1,325,340)	911,031	6,751,970	13,375,832

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 Investments in subsidiary corporations (continued)

- (a) Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

Group	Crimson Star Development Pte. Ltd.		Regis Bay Vietnam Investment Joint-Stock Company		Hoi An Pearl Joint Stock Company	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Current						
Assets	–	1,859,690	4,272,808	1,574,248	943,980	976,639
Liabilities	–	(36,652)	(16,388,846)	(11,659,329)	(7,342,857)	(2,126,197)
Total current net assets/ (liabilities)	–	1,823,038	(12,116,038)	(10,085,081)	(6,398,877)	(1,149,558)
Non-current						
Assets	–	–	50,530,524	46,606,790	30,040,450	25,674,264
Liabilities	–	–	(35,678,623)	(32,562,156)	(15,510,135)	(15,854,224)
Total non-current net assets	–	–	14,851,901	14,044,634	14,530,315	9,820,040
Net assets	–	1,823,038	2,735,863	3,959,553	8,131,438	8,670,482

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 Investments in subsidiary corporations (continued)

- (a) Summarised financial information of subsidiary corporations with material non-controlling interests (continued)

Summarised statement of comprehensive income

Group	Crimson Star Development Pte. Ltd.		Regis Bay Vietnam Investment Joint-Stock Company		Hoi An Pearl Joint Stock Company	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Other income	2,218	–	97,098	1,050,167	117	40,499
Expenses	(62,523)	(48,715)	(1,246,372)	(22,231)	(201,933)	(124,426)
(Loss)/profit for the financial year	(60,305)	(48,715)	(1,149,274)	1,027,936	(201,816)	(83,927)
Other comprehensive (loss)/income	37,173	40,768	(74,416)	82,985	(337,228)	303,502
Total comprehensive (loss)/income	(23,132)	(7,947)	(1,223,690)	1,110,921	(539,044)	219,575
Total comprehensive (loss)/income attributable to non-controlling interests	(8,096)	(2,781)	(1,223,690)	1,110,921	(264,132)	219,575

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 Investments in subsidiary corporations (continued)

(a) Summarised financial information of subsidiary corporations with material non-controlling interests (continued)

Summarised statement of cash flows

Group	Crimson Star Development Pte. Ltd.		Regis Bay Vietnam Investment Joint-Stock Company		Hoi An Pearl Joint Stock Company	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Net cash (used in)/generated from operating activities	–	(48,715)	(268,049)	1,232,069	1,594,616	(299,377)
Net cash used in investing activities	–	–	(5,992,145)	(6,202,466)	(6,532,031)	(3,422,721)
Net cash generated from/(used in) financing activities	–	–	7,274,475	(4,932,605)	4,626,236	3,689,721

(b) Transfer of shares in Hoi An Pearl Joint Stock Company to the Group

On 25 March 2022, 51% equity shares in HAP had been transferred to the Group upon receipt of the latest Enterprise Registration Certificate issued by the Department of Planning and Investment, Quang Nam Province (“**Shares Transfer**”). Following the completion of the Shares Transfer, the Group effectively owns 51% of the equity interest in HAP (see Note 13⁽⁴⁾ above).

The deemed consideration paid of VND 103,207,671,117 (equivalent to \$6,146,870) representing the net of receivables from and payable to non-controlling interest shareholder and other reserve (Notes 12, 16 and 21(b)(ii)), as at the date of Shares Transfer. The carrying amount of the non-controlling interests in HAP on the date of acquisition was \$4,423,953. The Group derecognised non-controlling interests of \$4,423,953 and recorded an increase in equity attributable to equity holders of the Company of \$1,722,917. The effect of changes in the ownership interest of HAP on the equity attributable to equity holders of the Company during the financial year is summarised as follows:

	2022
	\$
Carrying amount of non-controlling interest acquired	4,423,953
Deemed consideration paid to non-controlling interest	(6,146,870)
Excess of consideration paid recognised in parent’s equity	1,722,917

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14 Property, plant and equipment

	Furniture and fittings	Office equipment	Renovation	Construction in progress	Total
	\$	\$	\$	\$	\$
Group					
2022					
<i>Cost</i>					
Beginning of financial year	1,488	115,285	18,680	63,610,028	63,745,481
Additions	–	–	–	11,641,462	11,641,462
Currency translation differences	–	(1,928)	–	(2,994,587)	(2,996,515)
End of financial year	1,488	113,357	18,680	72,256,903	72,390,428
<i>Accumulated depreciation</i>					
Beginning of financial year	1,488	90,304	18,680	–	110,472
Depreciation charge (Note 4)	–	9,760	–	–	9,760
Currency translation differences	–	(1,350)	–	–	(1,350)
End of financial year	1,488	98,714	18,680	–	118,882
Net book value					
End of financial year	–	14,643	–	72,256,903	72,271,546
2021					
<i>Cost</i>					
Beginning of financial year	1,488	113,552	18,680	50,595,874	50,729,594
Additions	–	–	–	11,002,856	11,002,856
Currency translation differences	–	1,733	–	2,011,298	2,013,031
End of financial year	1,488	115,285	18,680	63,610,028	63,745,481
<i>Accumulated depreciation</i>					
Beginning of financial year	1,488	69,097	18,680	–	89,265
Depreciation charge (Note 4)	–	20,362	–	–	20,362
Currency translation differences	–	845	–	–	845
End of financial year	1,488	90,304	18,680	–	110,472
Net book value					
End of financial year	–	24,981	–	63,610,028	63,635,009

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14 Property, plant and equipment (continued)

	Furniture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$
Company				
2022				
<i>Cost</i>				
Beginning and end of financial year	1,488	64,927	18,680	85,095
<i>Accumulated depreciation</i>				
Beginning of financial year	1,488	60,845	18,680	81,013
Depreciation charge	–	2,449	–	2,449
End of financial year	1,488	63,294	18,680	83,462
Net book value				
End of financial year	–	1,633	–	1,633
2021				
<i>Cost</i>				
Beginning and end of financial year	1,488	64,927	18,680	85,095
<i>Accumulated depreciation</i>				
Beginning of financial year	1,488	47,770	18,680	67,938
Depreciation charge	–	13,075	–	13,075
End of financial year	1,488	60,845	18,680	81,013
Net book value				
End of financial year	–	4,082	–	4,082

Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of \$72,256,903 (2021: \$63,610,028) (Note 18).

Borrowing costs included in the cost of qualifying assets of construction in progress are as follows:

	Group	
	2022	2021
	\$	\$
Beginning of financial year	4,422,353	2,016,492
Additions	3,421,613	2,307,108
Currency translation differences	(273,038)	98,753
End of financial year	7,570,928	4,422,353

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15 Right-of-use assets

Nature of the Group's leasing activities

Property

The Group leases office space for the purpose of back office operations.

Prepaid leases

The Group has made an upfront payment to secure the land-use-rights of leasehold land, which is used in the Group's construction of the hotel in Vietnam. The land-use-rights of leasehold land in Vietnam are mortgaged to the banks as securities for certain bank borrowings (Note 18) of the Group.

(a) Carrying amounts

	Prepaid leases - Leasehold		
	land	Office premise	Total
	\$	\$	\$
Group			
2022			
<i>Cost</i>			
Beginning of financial year	1,796,998	88,691	1,885,689
Additions	–	46,812	46,812
Currency translation differences	(68,777)	–	(68,777)
End of financial year	1,728,221	135,503	1,863,724
<i>Accumulated depreciation</i>			
Beginning of financial year	163,363	69,193	232,556
Depreciation charge (Note 4)	54,007	23,400	77,407
Currency translation differences	(7,890)	–	(7,890)
End of financial year	209,480	92,593	302,073
Net book value			
End of financial year	1,518,741	42,910	1,561,651
2021			
<i>Cost</i>			
Beginning of financial year	1,786,477	88,691	1,875,168
Currency translation differences	10,521	–	10,521
End of financial year	1,796,998	88,691	1,885,689
<i>Accumulated depreciation</i>			
Beginning of financial year	105,163	45,781	150,944
Depreciation charge (Note 4)	53,826	23,412	77,238
Currency translation differences	4,374	–	4,374
End of financial year	163,363	69,193	232,556
Net book value			
End of financial year	1,633,635	19,498	1,653,133

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15 Right-of-use assets (continued)

(a) Carrying amounts (continued)

	<u>Office premise</u>
	\$
Company	
2022	
<i>Cost</i>	
Beginning of financial year	88,691
Additions	46,812
End of financial year	<u>135,503</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	69,193
Depreciation charge	23,400
End of financial year	<u>92,593</u>
Net book value	
End of financial year	<u>42,910</u>
2021	
<i>Cost</i>	
Beginning and end of financial year	<u>88,691</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	45,781
Depreciation charge	23,412
End of financial year	<u>69,193</u>
Net book value	
End of financial year	<u>19,498</u>

(b) Interest expense

	Group	
	2022	2021
	\$	\$
Interest expense on lease liabilities (Note 8)	780	1,608

(c) Lease expense not capitalised in lease liabilities

	Group	
	2022	2021
	\$	\$
Lease expense – short-term leases (Note 4)	23,971	22,466

(d) Total cash outflow for all the leases was \$48,571 (2021: \$47,066).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16 Other payables

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current				
Other payables				
- non-related parties ⁽¹⁾	2,830,414	1,545,377	8,767	–
- subsidiary corporations ⁽⁸⁾	–	–	2,689,140	5,228,435
- non-controlling interest shareholder ⁽²⁾	–	3,350,205	–	–
Loan from shareholders ⁽³⁾⁽⁴⁾	146,450	181,584	146,450	181,585
Loan from related party ⁽⁵⁾	4,341,458	–	4,341,458	–
Loan from non-controlling interest shareholder ⁽⁶⁾	1,357,495	–	–	–
Accruals ⁽¹⁾	1,062,412	1,611,970	848,157	766,824
	<u>9,738,229</u>	<u>6,689,136</u>	<u>8,033,972</u>	<u>6,176,844</u>
Non-current				
Other payables				
- non-related parties	3,571	3,032	–	–
Loan from non-controlling interest shareholder ⁽⁷⁾	89,991	93,572	–	–
	<u>93,562</u>	<u>96,604</u>	<u>–</u>	<u>–</u>
Total other payables	<u>9,831,791</u>	<u>6,785,740</u>	<u>8,033,972</u>	<u>6,176,844</u>

⁽¹⁾ Other payables to non-related parties and accruals principally comprise amounts outstanding for construction projects and on-going costs.

⁽²⁾ Other payables to non-controlling interest shareholder relates to investment in one of the subsidiary corporations amounting to \$Nil (2021: \$3,350,205) (Notes 13⁽⁴⁾ and 21(b)(ii)).

⁽³⁾ A loan from shareholder who is also a director of the Company amounting to \$146,450 (2021: \$146,450) is interest free and unsecured as at 31 December 2022. Repayment which is due in April 2023 has been extended to April 2024 subsequent to the financial year end.

⁽⁴⁾ A loan from another shareholder amounting to \$35,134 as at 31 December 2021 has been waived off during the financial year (Note 6).

⁽⁵⁾ Loan from related party bears interest at rate of 5% per annum, is unsecured and has maturity period of 12 months from the date of disbursement of the loan. Repayment which is due in September 2023 has been extended to September 2024 subsequent to the financial year end.

⁽⁶⁾ Loan from non-controlling interest shareholder bears interest at rate of 11% per annum, is unsecured and has maturity period of 12 months from the date of disbursement of the loan. Repayment which is due in December 2023 has been extended to December 2024 subsequent to the financial year end.

⁽⁷⁾ Loan from non-controlling interest shareholder bears interest at rate of 15% per annum, is unsecured and has maturity period of 36 months from the date of disbursement of the loan. The initial repayment term was due in September 2020. During the financial year 2021, the repayment term has been extended to March 2026 and the interest on loan from non-controlling interest shareholder has been waived off. Management is of the opinion that the fair value of the non-current loan from non-controlling interest shareholder is approximate to their carrying value.

⁽⁸⁾ Other payables to subsidiary corporations are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17 Lease liabilities

	Group and Company	
	2022	2021
	\$	\$
Maturity analysis:		
Year 1	20,500	20,500
Less: Unearned interest	(1,423)	(396)
	19,077	20,104
Maturity analysis:		
Year 2	24,600	–
Less: Unearned interest	(581)	–
	24,019	–

18 Bank borrowings

	Group	
	2022	2021
	\$	\$
Current		
Bank borrowings	5,800,116	3,674,460
Non-current		
Bank borrowings	43,977,069	41,588,196
Total borrowings	49,777,185	45,262,656

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2022	2021
	\$	\$
6 months or less	29,631,139	24,696,210

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18 Bank borrowings (continued)

(a) Security granted

The Group has three principal bank loans:

- i. A loan of \$4,301,532 as at 31 December 2019 which is repayable over 26 instalments after 18 months from the first disbursement date.

The loan is secured by the leasehold land of the project (Note 15). The loan bears minimum 9% per annum for first 12 month after first disbursement date, 25 January 2019 and subsequently bears prime rate plus a minimum interest rate of 3.5% per annum. The prime interest rate is equal to the interest rate on saving accounts in Vietnamese Dong (“VND”) plus the incremental cost of capital.

The Group has refinanced the loan with another financial institution during the financial year ended 31 December 2020. Accordingly, the credit facilities have been revised from VND350,000,000,000 (equivalent to \$20,590,000) to VND380,000,000,000 (equivalent to \$22,000,000) for the purpose of HAP project in Vietnam.

The revised terms of the new term loan are as follows:

A loan of \$17,621,047 as at 31 December 2022 (2021: \$17,566,446) which is repayable over 32 instalments after 12 months from the first disbursement date. The loan was drawn down for the purpose of financing of project construction costs. The interest rate is determined by the bank at the time of each disbursement.

The loan is guaranteed by (i) joint and several personal guarantees given by the non-controlling interest shareholders; and secured by (ii) the leasehold land of the project (Note 15).

- ii. A loan of \$29,631,139 as at 31 December 2022 (2021: \$24,696,210) which is repayable over 8 instalments after 39 months from the first drawdown date. The loan was drawn down for the purpose of financing 67% of project construction costs. The interest rate is the sum of the Margin (1% to 3% per annum) and Cost of Funds (or such other rate determined at the sole discretion of the financial institution).

The loan is guaranteed by (i) joint and several personal guarantees given by directors and non-controlling interest shareholders; and secured by (ii) pledged deposits (Note 11); and (iii) the freehold land of the project included in “Construction in progress” (Note 14). The total loan balance is required not to exceed 70% of the value of the mortgaged assets during the tenor of the loan.

- iii. A Temporary Bridging Loan (“TBL”) of \$2,524,999 as at 31 December 2022 (2021: \$3,000,000) which is repayable over 5 years after 12 months from the first drawdown date. The interest rate is fixed at 3% per annum. The loan is guaranteed by personal guarantees from a controlling shareholder.

As at 31 December 2022, the Group has approximately \$1,265,395 (2021: \$9,748,163) undrawn committed bank facilities available.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18 Bank borrowings (continued)

(b) Fair value of non-current borrowings

	Group	
	2022	2021
	\$	\$
Bank borrowings	17,799,929	15,608,348

The fair value of the non-current borrowings with floating rate approximate carrying amount as they are frequently re-priced to market interest rates. The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2022	2021
	%	%
Bank borrowings	6.00	4.00

The fair values are within Level 2 of the fair value hierarchy.

19 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

	Group	
	2022	2021
	\$	\$
Deferred tax assets	1,352,883	1,055,138

The movement in the net deferred income tax account is as follows:

	Group	
	2022	2021
	\$	\$
Beginning of financial year	1,055,138	765,071
Credited to		
- profit or loss (Note 9(a))	297,745	290,067
End of financial year	1,352,883	1,055,138

The deferred tax assets pertain to temporary difference on property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

20 Share capital

	Group and Company	
	No. of ordinary shares	Amount
		\$
2022		
Beginning of financial year	1,950,619,331	52,411,370
Issuance of shares	501,000,000	3,156,300
Qualifying placement expenses offset against equity	–	(68,197)
End of financial year	<u>2,451,619,331</u>	<u>55,499,473</u>
2021		
Beginning and end of financial year	<u>1,950,619,331</u>	<u>52,411,370</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

On 1 April 2022, the Company issued 501,000,000 ordinary shares for a total consideration of \$3,156,300 for cash to provide funds for the Group's working capital. The newly issued shares rank pari passu in all aspects with the previously issued shares.

21 Reserves

(a) *Composition:*

	Group	
	2022	2021
	\$	\$
Currency translation reserve	(644,784)	(465,499)
Other reserve	–	(3,376,847)
	<u>(644,784)</u>	<u>(3,842,346)</u>

Reserves are non-distributable.

(b) *Movements:*

(i) Currency translation reserve

	Group	
	2022	2021
	\$	\$
Beginning of financial year	(465,499)	(631,311)
Struck off of a subsidiary corporation	66,330	–
Net currency translation differences of financial statements of foreign subsidiary corporations	(474,213)	570,738
Less: Non-controlling interests	228,598	(404,926)
	<u>(245,615)</u>	<u>165,812</u>
End of financial year	<u>(644,784)</u>	<u>(465,499)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

21 Reserves (continued)

(b) Movements: (continued)

(i) Currency translation reserve (continued)

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(ii) Other reserve

	Group	
	2022	2021
	\$	\$
Beginning of financial year	(3,376,847)	(3,376,847)
Acquisition of non-controlling interests without a change in control	3,376,847	–
End of financial year	–	(3,376,847)

This represents the Group's obligation to acquire equity interests in one of its subsidiary corporations (Note 13).

22 Contingencies

Company

The Company has issued corporate guarantee amounted to USD6,000,000 (equivalent to \$8,067,600) (2021: \$8,110,200) to bank for borrowing of a subsidiary corporation.

The Company has evaluated the fair value of the corporate guarantee and is of the view that the consequential liabilities derived from its guarantee to the bank and the fair value of the corporate guarantee are minimal. The subsidiary corporation for which the corporate guarantee was provided are in favourable equity position, with no default in the payment of borrowings and credit facilities.

23 Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	2022	2021
	\$	\$
Beginning of financial year	38,915,305	38,080,295
Net (profit)/loss	(771,345)	835,010
End of financial year	38,143,960	38,915,305

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24 Commitments

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2022	2021
	\$	\$
Construction of property, plant and equipment	8,600,169	15,533,156

25 Financial risk management

Financial risk factors

The Board of Directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates and foreign exchange rates. Generally, the Group employs a conservative strategy regarding its risk management. As the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

(a) Market risk

(i) Foreign exchange risk

The Group transacts businesses significantly in Singapore Dollar, United States Dollar and Vietnamese Dong. Transactions in other currencies are limited.

The significant carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Assets		Liabilities	
	2022	2021	2022	2021
	\$	\$	\$	\$
Group				
United States Dollar	51,995,383	44,782,098	(74,235,398)	(61,894,451)
Singapore Dollar	–	1,848,858	–	(33,653)
Company				
United States Dollar	24,279,833	17,653,997	(4,505,499)	(391,454)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Foreign currency sensitivity for significant foreign currency balances

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. If the relevant foreign currency strengthens by 10% against the functional currencies of the group entities, the loss before income tax will decrease/ (increase) by:

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<u>Impact to profit or loss</u>				
United States Dollar	(2,224,002)	(1,711,235)	1,977,433	1,726,254
Singapore Dollar	–	(181,520)	–	–

If the relevant foreign currencies weaken by 10% against the functional currencies of the group entities, the impact will be conversed of the amount shown above.

(ii) Interest rate risk

The Group's interest rate risk is primarily from loan from related party and non-controlling interest shareholder of subsidiary corporation and bank borrowings with financial institutions. The Group's 5-year term loan and loan from related party and non-controlling interest shareholder of subsidiary corporation bears fixed interest rate of 3% and 5-15% respectively per annum effectively eliminating interest risk.

Other bank borrowings bear variable interest rate on which effective interest rates on which effective hedges have not been entered into.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for interest bearing financial instruments at the balance sheet date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all variables were held constant, the Group's loss before income tax for the financial years ended 31 December 2022 and 2021 would not be materially impacted as the interest on borrowings for the purpose of financing the projects has been capitalised as property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Financial risk management (continued)

(b) Credit risk

Other receivables

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount that has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Where there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Financial risk management (continued)

(b) Credit risk (continued)

Other receivables (continued)

The table below details the credit quality of the Group's other receivables exclude VAT receivables, as well as maximum exposure to credit risk:

Group	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			\$	\$	\$
2022					
Other receivables					
- Non-related parties	Performing	12m ECL	129,992	-	129,992
- Non-related parties	In default	Lifetime ECL	116,686	(116,686)	-
				<u>(116,686)</u>	
2021					
Other receivables					
- Non-controlling interest shareholder	Performing	12m ECL	6,012,194	-	6,012,194
- Non-related parties	Performing	12m ECL	79,034	-	79,034
- Non-related parties	In default	Lifetime ECL	116,686	(116,686)	-
				<u>(116,686)</u>	
	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			\$	\$	\$
Company					
2022					
Other receivables					
- Subsidiary corporations	Performing	12m ECL	23,126,446	(389,997)	22,736,449
- Non-related parties	Performing	12m ECL	6,901	-	6,901
- Non-related parties	In default	Lifetime ECL	116,686	(116,686)	-
				<u>(506,683)</u>	
2021					
Other receivables					
- Subsidiary corporations	Performing	12m ECL	18,024,318	(316,305)	17,708,013
- Non-related parties	Performing	12m ECL	6,901	-	6,901
- Non-related parties	In default	Lifetime ECL	116,686	(116,686)	-
				<u>(432,991)</u>	

For other receivables, the Group determines the ECL on these items by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Financial risk management (continued)

(b) Credit risk (continued)

Other receivables (continued)

Management is of the view that the credit risk on the amount due from subsidiary corporations is mitigated as it is within the control of the Group to make repayments when necessary.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group applied the expected credit losses model prescribed by SFRS(I) 9 *Financial instruments*. The impairment methodology is set out above.

As part of the Group's credit risk management, the Group assesses the impairment for its debtors based on different group of debtors which share common risk characteristics that are representative of the debtors' abilities to pay all amounts due in accordance with the contractual terms. Management is of the view that credit risk associated with receivables from the non-controlling interest shareholder is mitigated as they are of good credit-standing and nothing has come to their attention that it should be impaired.

The table below shows the movement in ECL that has been recognised for other receivables set out in SFRS(I) 9:

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Other receivables				
<u>Lifetime ECL (credit impaired)</u>				
Beginning of financial year	116,686	116,686	432,991	432,866
Loss allowance recognised	–	–	73,692	–
Foreign exchange adjustments	–	–	–	125
End of financial year	116,686	116,686	506,683	432,991

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2022	2021
	\$	\$
Corporate guarantee provided to bank on subsidiary corporation's borrowing	8,067,600	8,110,200

The Company has assessed that its subsidiary corporations have favourable financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Cash and cash equivalents

The Group and the Company held cash and bank balances of \$6,118,256 and \$2,626,512 (2021: \$4,772,728 and \$1,927,835) respectively. Cash and bank balances are held with bank and financial institution counterparties with sound credit ratings. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Financial risk management (continued)

(c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management has also assessed that the Group and the Company will continue in operational existence for at least 12 months from the date of financial statements as disclosed in Note 2.1 to the financial statements.

The Group places its cash with reputable financial institutions.

Non-derivative financial liabilities

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due less than 1 year equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 1 to 5 years	Over 5 years
	\$	\$	\$
Group			
2022			
Financial liabilities			
Non-interest bearing	4,039,276	3,571	–
Lease liabilities	19,077	24,600	–
Fixed interest rate	8,540,949	15,186,161	4,078,167
Floating interest rate	2,958,120	26,892,000	–
Total	<u>15,557,422</u>	<u>42,106,332</u>	<u>4,078,167</u>
2021			
Financial liabilities			
Non-interest bearing	6,689,136	3,032	–
Lease liabilities	20,104	–	–
Fixed interest rate	2,187,590	13,363,803	6,817,603
Floating interest rate	1,486,870	24,238,009	–
Total	<u>10,383,700</u>	<u>37,604,844</u>	<u>6,817,603</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Financial risk management (continued)

(c) Liquidity risk (continued)

Non-derivative financial liabilities (continued)

	Less than 1 year	Between 1 to 5 years	Over 5 years
	\$	\$	\$
Company			
2022			
Financial liabilities			
Non-interest bearing	3,692,514	–	–
Lease liabilities	19,077	24,600	–
Fixed interest rate	4,341,458	–	–
Financial guarantee contract	8,067,600	–	–
	16,120,649	24,600	–
2021			
Financial liabilities			
Non-interest bearing	6,176,844	–	–
Lease liabilities	20,104	–	–
Financial guarantee contract	8,110,200	–	–
	14,307,148	–	–

(d) Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance and to ensure that all externally imposed capital requirements are complied with.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising paid up capital, accumulated losses and reserves.

Management reviews the capital structure on an on-going basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital.

Based on recommendations of management, the Board of Directors will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issuance of new debt.

The Group's overall strategy remains unchanged from prior year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 Financial risk management (continued)

(e) Fair value measurements

Assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts. The fair value measurement of non-current borrowings is disclosed in Note 18 to the financial statements.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Financial assets, at amortised cost	6,248,248	10,863,956	25,369,862	19,642,749
Financial liabilities at amortised cost	59,652,072	52,068,500	8,077,068	6,196,948

26 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

There are no sales and purchases of goods and services with related parties for the financial years ended 31 December 2022 and 2021.

(b) Key management personnel compensation

The remuneration of directors and other members of key management during the financial year were as follows:

	Group	
	2022	2021
	\$	\$
Wages and salaries	574,850	651,505
Employer's contribution to defined contribution plans, including Central Provident Fund	40,724	43,865
	615,574	695,370

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 Segment information

The Group determines its reportable segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group is organised into business units based on their products and services, based on which information is prepared and reported to the Board of Directors for the purposes of resource allocation and assessment of performance.

For management purposes, the Group is organised into the following operating segments as follows:

- (1) Property and hospitality segment mainly relates to (i) property ownership, development, management and investment; and (ii) hospitality services.
- (2) Corporate segment mainly relates to investment holding activities.
- (3) Others segment mainly relates to entities that are dormant.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2 to the financial statements. Segment results represent the profits earned/losses incurred by each segment without allocation of corporate income, costs and taxation.

Inter-segment transfers are eliminated on consolidation.

All assets and liabilities are allocated to reportable segments other than corporate assets and liabilities that cannot be attributed to any one operating segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 Segment information (continued)

The segment information provided to the Board of Directors for the reportable segments is as follows:

(a) Segment revenues and result

	Property and hospitality		Corporate		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	–	–	–	–	–	–	–	–
Segment results	(1,419,618)	621,568	(1,665,283)	(1,040,312)	(15,550)	(26,830)	(3,100,451)	(445,574)
Interest income							136,126	506,898
Finance expense							(110,556)	(62,020)
Loss before income tax							(3,074,881)	(696)
Income tax credit							293,171	285,095
Net (loss)/profit for the financial year							(2,781,710)	284,399
<i>Segment assets and liabilities</i>								
Segment assets	80,729,777	76,824,033	2,695,432	1,984,252	24,357	24,567	83,449,566	78,832,852
Segment liabilities	54,260,045	51,096,388	5,387,928	968,513	4,099	3,599	59,652,072	52,068,500
Capital expenditure	11,641,462	11,002,856	–	–	–	–	11,641,462	11,002,856
Depreciation of property, plant and equipment	7,311	7,287	2,449	13,075	–	–	9,760	20,362
Depreciation of right-of-use assets	54,008	53,826	23,399	23,412	–	–	77,407	77,238
Impairment of goodwill	44,123	–	–	–	–	–	44,123	–

(b) Segment assets and liabilities

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 Segment information (continued)

Geographical information

The Group's business segments operate in two main geographical areas

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally investments holdings, property development, residential property development and dormant entities.
- Vietnam – the operations in this area are principally hotel development, resort development, management consulting services, construction management services as well as investment holding and property development.

Non-current assets based on the geographical location of customers and assets respectively are as follows:

	Non-current assets	
	2022	2021
	\$	\$
Singapore	44,543	23,580
Vietnam	75,141,537	67,917,365
	<u>75,186,080</u>	<u>67,940,945</u>

28 Business combination

On 10 November 2022, the Company acquired 60% of the issued share capital in Bay Hospitality Pte. Ltd. ("BH") for a cash consideration of \$600. The principal activity of BH is management consultancy for hotels. BH was incorporated on 30 June 2022 and has remained with no business activities up to the date of acquisition on 10 November 2022. The purpose to acquire BH is, together with the existing director/shareholder of BH, to explore business opportunity on management consultancy for hotels.

Details of the consideration paid, the assets acquired and liabilities assumed, non-controlling interests and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	\$
Cash paid	<u>600</u>

(b) Effect on cash flows of the Group

	\$
Cash paid (as above)	(600)
Add: Cash and cash equivalents in subsidiary corporation acquired	<u>4,462</u>
Cash inflow on acquisition	<u>3,862</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28 Business combination (continued)

(c) Identifiable assets acquired and liabilities assumed

	<u>At fair value</u>
	<u>\$</u>
Cash and cash equivalents, representing total assets	4,462
Other payables, representing total liabilities	(77,000)
Total identifiable net liabilities	(72,538)
Add: Non-controlling interest at the proportionate share of the identifiable net liabilities	29,015
Add: Goodwill	44,123
Consideration transferred for the business	<u>600</u>

(d) Goodwill

The acquisition of BH was completed on 10 November 2022. Management is of the view that there is no identifiable intangible asset at the date of acquisition. The carrying values of assets and liabilities as at the date of acquisition approximate to their fair values. BH is in net liabilities position as at the date of acquisition therefore resulted in a goodwill arising from business acquisition of \$44,123. The Group has fully impaired the goodwill as BH remained with no business activities as at financial year end and no recoverable amount expected.

(e) Revenue and profit contribution

The acquired business contributed net loss of \$94,687 to the Group for the period from 10 November 2022 to 31 December 2022.

Had BH been acquired from 1 January 2022, consolidated net loss for the financial year ended 31 December 2022 would have been \$2,855,248.

29 Events occurring after reporting date

- (a) On 25 January 2023, the Company has incorporated a wholly owned subsidiary corporation in Malaysia, Crimson (Malaysia) Sdn. Bhd. (the "**New Subsidiary**"), with an issued and paid-up capital of RM5,000 comprising of 5,000 ordinary shares. The New Subsidiary shall be principally engaged in investment holdings and property development activities.
- (b) Refers to Note 13⁽³⁾ to the financial statements in relation to the joint venture agreement dated 9 January 2017 entered into with Panthera, the Group had issued a convertible loan (the "**Convertible Loan**") to Regis Bay to partially fund the Regis Bay's acquisition of the land for development of hotel at Quang Trung, Danang City.

On 11 April 2023, the Group acquired an indirect 51% equity interest in Regis Bay through a newly incorporated investment holding corporation in Vietnam, Thai Vy Company Limited ("**Thai Vy**"), which was a dormant company as at the acquisition date. The Group acquired 100% of the charter capital of Thai Vy from a non-related party for an aggregate consideration of VND200,000,000 (equivalent to approximately \$11,408) and, following the completion of such acquisition, the Group's interests in Regis Bay will be held through Thai Vy and the total outstanding balance of the Convertible Loan will be repaid.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

30 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2023 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*:

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the balance sheet date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-12 *Income Taxes*

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

SFRS(1) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

31 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Adventus Holdings Limited on 13 April 2023.

STATISTICS OF SHAREHOLDING

As at 15 March 2023

Class of shares	No. of shares	%
Ordinary	2,451,619,331	100.0
Treasury	Nil	0.0
Total Issued Shares	2,451,619,331	100.0
Voting Rights	One vote for each ordinary share	

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 15 March 2023, 58.12% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 15 MARCH 2023

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	4	0.29	138	0.00
100 – 1,000	68	4.85	41,287	0.00
1,001 – 10,000	152	10.83	893,005	0.04
10,001 – 1,000,000	1,029	73.34	232,313,130	9.47
1,000,001 AND ABOVE	150	10.69	2,218,371,771	90.49
TOTAL	1,403	100.00	2,451,619,331	100.00

STATISTICS OF SHAREHOLDING

As at 15 March 2023

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares Held	%
1	CHIN BAY CHING	506,739,359	20.67
2	CHUAH CHONG EU	268,000,000	10.93
3	CITIBANK NOMINEES SINGAPORE PTE LTD	251,065,772	10.24
4	DBS NOMINEES PTE LTD	142,860,600	5.83
5	LOW SIEW YAM	100,000,000	4.08
6	YUANITA TJIA	100,000,000	4.08
7	KGI SECURITIES (SINGAPORE) PTE. LTD	56,775,500	2.32
8	PHILLIP SECURITIES PTE LTD	52,294,800	2.13
9	ABN AMRO CLEARING BANK N.V.	50,013,000	2.04
10	TAN AI MENG	39,700,000	1.62
11	KWA KAY HOW	34,318,500	1.40
12	TAN CHEK MENG	33,622,000	1.37
13	IFAST FINANCIAL PTE LTD	28,364,300	1.16
14	ANG HOCK CHWEI	27,438,400	1.12
15	UNITED OVERSEAS BANK NOMINEES PTE LTD	24,730,800	1.01
16	KOH YEW CHOO	21,036,100	0.86
17	WEI YING	19,000,000	0.77
18	MAYBANK SECURITIES PTE. LTD.	16,881,000	0.69
19	PEY YEW HONG	13,100,000	0.53
20	OCBC NOMINEES SINGAPORE PTE LTD	12,570,500	0.51
TOTAL		1,798,510,631	73.36

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chin Bay Ching	506,739,359	20.67	249,865,772 ⁽¹⁾	10.19
Chuah Chong Eu	268,000,000	10.93	–	–

Note:

⁽¹⁾ 249,865,772 shares held in the name of Citibank Nominees Singapore Pte. Ltd

NOTICE OF ANNUAL GENERAL MEETING

*This Notice has been made available on SGXNET and the Company's corporate website and may be accessed at the URL <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/>. A printed copy of this Notice will **NOT** be despatched to members.*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Adventus Holdings Limited (the "**Company**") will be held at No. 60 Benoi Road #03-02 Singapore 629906 on Friday, 28 April 2023 at 3.00 p.m. (Singapore time) for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2022 and the Directors' Statement and Independent Auditor's Report thereon. **[Resolution 1]**
2. To note the retirement of Mr Gersom G Vetuz, a director who is retiring pursuant to Article 95 of the Constitution of the Company and will not be seeking for re-election. Upon the retirement of Mr Gersom G Vetuz, he will be relinquishing his position as an Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.
3. To re-elect Mr Loh Eu Tse Derek, who is retiring pursuant to Article 95 of the Constitution of the Company. **[Resolution 2]**

Mr Loh Eu Tse Derek will, upon re-election as Director of the Company, shall remain as the Chairman of the Nominating Committee and the member of the Audit and Remuneration Committees and shall be considered independent for the purpose of Rule 704(7) of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**").
(See Explanatory Note 1)

4. To re-elect Mr Chin Bay Ching, who is retiring pursuant to Articles 96 of the Constitution of the Company. **[Resolution 3]**

Mr Chin Bay Ching will, upon re-election as Director of the Company, shall remain as the Chairman and Executive Director of the Company.
(See Explanatory Note 2)

5. To approve Directors' fees of S\$125,000 for the financial year ending 31 December 2023 and the payment thereof on a quarterly basis (S\$125,000 for the financial year ended 31 December 2022). **[Resolution 4]**
6. To re-appoint CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as independent auditor of the Company and to authorise the Directors to fix its remuneration. **[Resolution 5]**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications;

8. Authority to allot and issue shares up to 100 per cent (100%) of issued shares

That pursuant to Section 161 of the Companies Act 1967 and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to issue and allot new shares in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, PROVIDED ALWAYS that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (ii) below), of which aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (ii) below);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company at the time this Resolution is passed, after adjusting for:-
- (a) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed; and
- (b) any subsequent consolidation or subdivision of shares; and
- (iii) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. (See Explanatory Note 3) **[Resolution 6]**

9. Authority to offer and grant options and to allot and issue shares under the Adventus Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the Adventus Employee Share Option Scheme (the "Scheme") and to allot and issue such shares as may be required to be issued pursuant to the exercise of the options granted or to be granted under the Scheme provided always that the aggregate number of shares issued and issuable in respect of all options granted or to be granted under the Scheme, shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time.

(See Explanatory Note 4)

[Resolution 7]

By Order of the Board

Lee Bee Fong
Company Secretary
13 April 2023
Singapore

EXPLANATORY NOTES:

- In relation to **Resolution 2** proposed in item 3 above, there is no relationships (including immediate family relationships) between Mr Loh Eu Tse Derek and with the other Directors, the Company or its 5% shareholders.

The detailed information pursuant to Rule 720(5) of the Catalist Rules on Mr Loh Eu Tse Derek can be found under the section titled "Disclosure of Information on Directors Seeking Re-Election" in the Company's Annual Report.
- In relation to **Resolution 3** proposed in item 4 above, Mr Chin Bay Ching is a controlling shareholder of the Company and the father of the Executive Director, Mr Chin Rui Xiang. Apart from that, there are no relationships (including immediate family relationships) between Mr Chin Bay Ching and with the other Directors, the Company or its 5% shareholders.

The detailed information pursuant to Rule 720(5) of the Catalist Rules on Mr Chin Bay Ching can be found under the section titled "Disclosure of Information on Directors Seeking Re-Election" in the Company's Annual Report.
- Resolution 6**, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting, to grant options and to issue shares in the Company. The number of shares which the Directors may issue under this Resolution would not exceed 100% of the total number of issued share (excluding treasury shares and subsidiary holdings, if any) of the Company at the time of passing this Resolution. For issue of shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares to be issued shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
- Resolution 7**, if passed, will empower the Directors from the date of the resolution is passed or to be granted until the next Annual General Meeting, to offer and grant options and to allot and issue shares pursuant to the exercise of options granted under the Scheme. The maximum number of new shares to be issued under the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time. Any shares issued pursuant to this authority will not form part of the mandate sought under **Resolution 6**.

NOTICE OF ANNUAL GENERAL MEETING

Important Notes:

1. Participation:

The AGM is being convened, and will be held, in a wholly physical format, at No. 60 Benoi Road #03-02 Singapore 629906 on Friday, 28 April 2023 at 3.00 p.m. (Singapore time) pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be no option for shareholders to participate virtually. Printed copies of this Notice of AGM, the Company's Annual Report 2022 and Proxy Form will not be despatched to members. Instead, this Notice of AGM, the Company's Annual Report 2022 and Proxy Form will be made available via publication on the Company's corporate website <https://www.adventusholdings.com/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not be a member of the Company. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company.

2. Submission of Proxy Form:

The instrument appointing a proxy(ies) must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

- (a) if in hard copy by post, be lodged at the registered office of the Company, at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829; or
- (b) if by email, be received by info@adventusholdings.com.

in either case, no later than **3.00 p.m. on 26 April 2023**.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed Proxy Forms via email to the email address provided above.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **5.00 p.m. on 18 April 2023** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **3.00 p.m. on 26 April 2023**.

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy(ies)).

In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing a proxy(ies) lodged if such member is not shown to have Shares entered against his/her/ its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

3. **Submission of Questions:**

Shareholders who wish to ask questions in advance of the AGM related to the resolutions to be tabled for approval at the AGM, must submit their questions by **3.00 p.m. on 20 April 2023** via email to info@adventusholdings.com. When sending in your questions, provide your full name, address, contact details and the manner in which you hold shares in the Company (eg via CDP, CPF or SRS).

The Company will endeavor to address all substantial and relevant questions received from Shareholders prior to the AGM and publish its responses via SGXNET and on the Company's corporate website at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/> **no later than 3.00 p.m. on 24 April 2023**.

The Company will endeavour to, within one (1) month after the date of the AGM, publish the minutes on SGXNET and the Company's corporate website at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/>.

4. **Annual Report and other documents:**

The Annual Report for the financial year ended 31 December 2022 ("**FY2022 Annual Report**") which was issued on 13 April 2023 can be accessed at the Company's corporate website at the URL <https://www.adventusholdings.com/> and SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

This Notice of AGM and Proxy form in relation to the AGM are made available to members on 13 April 2023 via SGXNET and the Company's corporate website at the URL <https://www.adventusholdings.com/> and SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders are to note that printed copies of the FY2022 Annual Report, the Notice of AGM and Proxy form will not be sent.

Personal data privacy:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy forms appointing a proxy(ies) and/or representative(s) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) addressing relevant and substantial questions from members of the Company received before the AGM and if necessary, following up with the relevant members of the Company in relation to such questions; and
- (iii) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/ or guidelines by the relevant authorities.

ADVENTUS HOLDINGS LIMITED

(Company Registration No. 200301072R)
(Incorporated in the Republic of Singapore)

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT:

- Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including CPF investors, SRS investors and holders under depository agents) and who wish to appoint a proxy(ies) should approach their respective relevant intermediaries (including CPF agent banks, SRS approved banks or depository agents) to submit their votes by 5.00 p.m. on 18 April 2023.
- By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2023.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a member's proxy to vote on his/her/ its behalf at the AGM.

This form of proxy has been made available on SGXNet and the Company's corporate website and may be accessed at the URL <https://www.adventusholdings.com>. A printed copy of this proxy form will **NOT** be despatched to members.

I/We _____ NRIC/Passport No. _____

of _____ (Address)

being a member/members of ADVENTUS HOLDINGS LIMITED (the "**Company**"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy (%)

or failing him/her/them, the Chairman of the meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company to be held at No. 60 Benoi Road #03-02 Singapore 629906 on **Friday, 28 April 2023 at 3.00 p.m. (Singapore time)** and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against, or abstain from voting the Resolution to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

Please tick here if more than two (2) proxies will be appointed (Please refer to note 2). This is only applicable for intermediaries such as banks and capital markets service license holders which provide custodial services.

No.	Resolutions Relating To:	For*	Against*	Abstain*
ORDINARY BUSINESS				
1.	Adoption of Directors' Statement and Financial Statements			
2.	Re-election of Mr Loh Eu Tse Derek			
3.	Re-election of Mr Chin Bay Ching			
4.	Approval of Directors' Fees for the financial year ending 31 December 2023 and the payment thereof on a quarterly basis			
5.	Re-appointment of CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation) as auditor of the Company and to authorise the Directors to fix its remuneration			
SPECIAL BUSINESS				
6.	Authority to Directors to allot and issue new shares			
7.	Authority to Directors to offer and grant options and to allot and issue shares under the Adventus Employee Share Option Scheme			

* Please indicate your vote "For" or "Against" or "Abstain" with an "X" within the boxes provided.

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the **Notice of Annual General Meeting** for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2023

Register	Number of Shares Held
CDP Register	
Register of Members	

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



IMPORTANT NOTES TO PROXY FORM :

Notes:

1. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
3. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
4. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
5. A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company.
The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if in hard copy by post, be lodged at the registered office of the Company, at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829; or
 - (b) if by email, be received by info@adventusholdings.com.

in either case, no later than **3.00 p.m. on 26 April 2023**.

Members are strongly encouraged to submit completed Proxy Forms via email to the email address provided above.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where an instrument appointing a proxy(ies) is submitted by email, it must be authorized in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where an instrument appointing a proxy(ies) is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy(ies), failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy(ies)). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2023.

Affix
postage
stamp here

ADVENTUS HOLDINGS LIMITED

52 Telok Blangah Road
#03-06 Telok Blangah House
Singapore 098829

The logo for Adventus features the word "Adventus" in a blue, sans-serif font. A thin, curved blue line arches over the top of the letters "A" and "d".

Adventus

Adventus Holdings Limited

Co. Reg. No. 200301072R

52 Telok Blangah Road

#03-06 Telok Blangah House

Singapore 098829

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