ADVENTUS HOLDINGS LIMITED
(Company Registration No. 200301072R)
(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF ALL THE SHARES IN THE CAPITAL OF APPHIA ADVANCED MATERIALS PTE LTD

1. INTRODUCTION

1.1 The Board of Directors of Adventus Holdings Limited (the "**Company**") wishes to announce that the Company, had, on 20 July 2017, entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Lim Keng Hock Jonathan ("**Buyer A**") and Tecnisco Limited ("**Buyer B**", and together with Buyer A, the "**Buyers**"), pursuant to which the Company shall dispose of its entire interest in the share capital of its wholly-owned subsidiary, Apphia Advanced Materials Pte Ltd ("**Apphia**" or the "**Target Company**") to the Buyers (the "**Disposal**"). The share capital of the Target Company comprises of 1,000,000 ordinary shares of par value S$1.00 each (the "**Sale Shares**").

1.2 Buyer A is a current director of the Target Company and the original owner of the Target Company; and Buyer B is a company established under the laws of Japan, and is in the business of processing and manufacturing of advanced materials used for precision processed glass, metal and silicon products.

1.3 The Target Company was acquired by the Company on January 6, 2012. The Target Company is principally engaged in the business of manufacturing sputtering targets, provision of services for thin film (PVD-Physical Vapor Deposition) solutions and it has also focused its market on Thin Film Materials for Anti-Reflection Coating (AR) Material for the Flat Panel Display Market and also distributing small volume thin film material business for the past years.

Owing to worldwide adverse economic conditions, technological advances / changes and a very competitive environment, the Target Company has been incurring continuous yearly losses.

Micro Screen Productions Pte. Ltd, and its subsidiary, Eternal Exposure Sdn Bhd (together, the "**MS Group**"), are subsidiaries of the Target Company. The MS Group is in the screen and pad printing industry. Like the Target Company, owing to worldwide adverse economic conditions, technological changes and a very competitive environment, it has also been incurring continuous yearly losses.

1.4 For the purpose of this announcement, the term "**Apphia Group**" shall mean Apphia together with the MS Group, while the term "**Group**" shall mean the Company and its remaining subsidiaries following the Disposal.

1.5 Upon completion of the Disposal, the Group's remaining businesses will be in the Property and Hospitality as well as Commodities, Mineral Resources and Trading sector.

2. CONSIDERATION FOR THE SALE AND PURCHASE AGREEMENT

2.1 Pursuant to the Sale and Purchase Agreement, the consideration for the sale of the paid up capital of the Target Company shall be an amount of S$1,400,000 ("**Consideration**"). The Consideration shall be satisfied in cash, to be paid upon completion of the Disposal.

2.2 The audited accounts for Apphia Group for FY2016 was in a Net Capital Deficiency totalling of S$1,412,878. After deducting all amounts due to the Group, the Net Tangible Asset ("**NTA**") of Apphia Group was S$913,026. The Consideration of S$1,400,000 includes the Target Company and its subsidiaries.

2.3 The Consideration was arrived at following arm's length negotiations on a willing buyer willing seller basis, and taking into account the NTA of the Apphia Group as at ended 31 December 2016.

3. CONDITIONS PRECEDENT

Completion of the Disposal shall be subject to the satisfaction of the following key conditions, among others, on or before the date of completion:-

(a) the clearance of the Company's Catalist Sponsor, Singapore Exchange Securities Trading Limited and/or governmental body (as applicable), having jurisdiction over the transactions contemplated in the Sale and Purchase Agreement, being obtained and not having been revoked or amended on or before the date of completion; and

(b) the approval of the respective board of directors of the Company being obtained in connection with the transactions as contemplated in the Sale and Purchase Agreement.

4. **OTHER INFORMATION RELATING TO THE SALE SHARES**

4.1 Based on the audited financial statements as at 31 December 2016, the Net Capital Deficiency of Apphia and MS Group was S$1,408,125 and S$4,753 respectively, including amounts due to the Group with an aggregate value of S$2,325,904.

4.2 In the financial year ended 31 December 2016, the loss before income tax of Apphia Group accounted for S$451,455 within the Group's profit of S$5,587,435.

4.3 Based on the proforma management accounts as at 30 June 2017, the Consideration is higher than the Net Capital Deficiency by S$3,072,068 which is also the gain on the disposal. In addition, upon completion of the Disposal, the gain on disposal will be used to partially write-off the S$1,729,080 of the inter-company loans owed by Apphia to the Group. The write-off has already been provided for in the Company's accounts.

5. FINANCIAL EFFECTS

The financial effects of the Disposal on the Company as set out below are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or financial position of the Company after the completion of the Disposal.

5.1 Assuming the Disposal is completed on 31 December 2016 (being the end of the most recently completed financial year of the Company), the net tangible assets per share of the Company as at 31 December 2016 would be S$0.0147, instead of S$0.0133.

5.2 Assuming the Disposal is completed as at 1 January 2016 (being the beginning of the most recently completed financial year of the Company), the earnings per share of the Company for the financial year ended 31 December 2016 would be S$0.0113, instead of S$0.0101.

6**. RATIONALE FOR THE DISPOSAL**

6.1 Since FY2015, the Group began to diversify its business into (i) Property development and Management; and (ii) hospitality-related services other than its existing business in the manufacturing industry. For the past years, Apphia Group has been incurring losses due to downturn of economic especially in the advanced materials manufacturing and technologies industry which has been changing rapidly. As such, the decision to the proposed Disposal will in line the Group's continued plans to rationalise its main businesses' activities.

6.2 In FY2016, Apphia managed to secure an 18 months' manufacturing agreement with a reputable German company effective from February, 2016. This manufacturing agreement

resulted in the reduced loss in Apphia Group for FY2016 as compared to prior years. As per the manufacturing agreement, towards the end of the 18 months' period, in May 2017, the German company has indicated to Apphia their intention that they do not intend to renew the manufacturing after its expiry in July 2017 nor exercise its option to purchase the business, or the business assets.

6.3 Since April FY2017, the German company introduced one of its manufacturing partners in Japan to Apphia. Their Japanese partner started visiting our facility to understand the business activities located at the Tuas factory. In May 2017, after several discussions with the Management at Apphia, they saw a synergy between the Japanese company and Apphia.

6.4 As the Group is diversifying into the property and hospitality industry as well as trading, it has no interest to inject additional working capital to its manufacturing businesses which will indirectly dilute the Group's focus and working capital towards its main activities to enhance shareholders' value.

6.5 The proposed Disposal of Apphia Group to a synergised company which is in the same industry will provide a continuity of the business and to its current employees which ultimately forms the rationale to the decision of the proposed Disposal.

6.6 Moving forward, the Group intends to use such proceeds from the Disposal for its working capital requirements and to fund acquisition opportunities as and when these arise.

7. RELATIVE FIGURES UNDER RULE 1006

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") in respect of the Disposal and based on the audited consolidated financial statements of the Company and the Group in FY2016 are as follows:-

Rule	Bases	Relative Figures
1006(a)	The net asset value of the Sale Shares to be disposed of compared with the Group's net asset value as at 31 December 2016	(5.46%)
1006(b)	Net loss attributable to the Apphia Group compared with the Group's net profit as at 31 December 2016	(8.07%)[(1)]
1006(c)	The aggregate value of the consideration received compared with the market capitalisation as at 20 July 2017, being the market day preceding the date the Sale and Purchase Agreement was signed	4.78%[(2)]
1006 (d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves.	Not applicable

Notes:-

(1) The net profits of the Group for the financial year ended 31 December 2016 was S$5,587,435. The net loss of the Apphia Group for the same period was S$451,455.

(2) The market capitalisation was derived from 1,950,619,331 shares in issue and the weighted average price of S$0.015 per share ("**Weighted Average Price Per Share**") as at 20 July 2017, being the last traded market day immediately preceding the date of the Sale and Purchase Agreement.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Sale and Purchase Agreement is available for inspection during normal business hours at the Company's registered address at 52 Telok Blangah Road, #04-01 Telok Blangah House, Singapore 098829 for a period of 3 months from the date of this announcement.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or Controlling Shareholders of the Company has an interest, direct or indirect, in the Disposal.

10. SERVICE CONTRACTS

There are no persons proposed to be appointed as directors of the Company in connection with the proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquires that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate in all material aspects as at the date of this Announcement, and that there are no material facts the omission of which would make this Announcement misleading.

Where information relating to the Buyers has been extracted from published or otherwise available sources or is otherwise based on information obtained from the Buyers, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources or, as the case may be, reflected or reproduced in this announcement.

On behalf of the Board
Chin Bay Ching
Executive Director and Chairman
21st July 2017

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

The Sponsor has not verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in

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

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