

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

**SIGNING OF JOINT VENTURE AGREEMENT WITH PANTHERA AND ISSUING OF
CONVERTIBLE LOAN FOR THE ACQUISITION OF A COMMERCIAL PROPERTY
DEVELOPMENT PROJECT IN DA NANG, VIETNAM FOR COMMERCIAL BENEFITS**

INTRODUCTION

The Board of Directors (the “**Board**”) of Adventus Holdings Limited (the “**Company**”) wish to announce that one of the wholly owned subsidiaries of the Company, ADV S1 Pte. Ltd. (“**Adv S1**”), has on Jan 9, 2017, signed a Joint Venture Agreement (“**JVA**”) with Panthera Company Limited (“**Panthera**”) to set up Regis Bay Vietnam Investment Joint Stock Company (“**Project Company**”) to invest in real estate projects in major cities of Vietnam such as Ho Chi Minh City, Hanoi and Da Nang through the Project Company. Adv S1 will be investing in the Project Company in the form of a convertible loan with the option to convert the said loan into shares in the Project Company.

ISSUING OF CONVERTIBLE LOAN

The Project Company has currently presented an investment opportunity in relation to a commercial land located on 17 Quang Trung, Hai Chau District, Da Nang (“**Project Land**”) that the Project Company would like to purchase for the purpose of redevelopment to build a hotel project and Adv S1 has decided to lend a convertible loan of US\$2,690,950 (equivalent to S\$3,875,610 based on an exchange rate of US\$1:S\$1.4402) (“**Convertible Loan**”) to the Project Company for the purchase of the aforementioned land. The hotel project (“**Project**”) is envisaged under the JVA to have a minimum gross floor area of 20,000 square metres and comprise minimum 25 storeys with a construction coverage ratio of at least 70% and land use ratio of 15. The hotel is proposed to comprise between 300 to 500 rooms and be of 4-star or 5-star hotel quality.

TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN

1. In order to acquire the Project Land, the Project Company needs funds of VND200,000,000,000 (Two Hundred Billion Vietnamese Dong) (equivalent to S\$12,918,700 based on an exchange rate of S\$1.00:VND15,481.43) to pay the purchase price of the Project Land. The Project Company therefore requested for a loan from Adv S1 in the form of the Convertible Loan valued at VND60,000,000,000 (equivalent to S\$3,875,610 or US\$2,690,950 based on an exchange rate of S\$1.00:VND15,481.43 and USD1.00:S\$1.4402) respectively subject to final confirmation by all Parties to the JVA.
2. Pursuant to the JVA, the Convertible Loan is issued to the Project Company with the following conditions:
 - (i) The Convertible Loan is subject to an interest rate of **15%** per annum with the term of three (3) years maximum, unless extended by Adv S1;
 - (ii) As a security for the Convertible Loan, Panthera and the Project Company agree to pledge equity holding equal to 75% of the charter capital of the Project Company (“**Charter Capital**”) to Adv S1 (or any individual/entity as instructed or nominated by Adv S1). The pledge agreement shall be done

before the Company's provision of the Convertible Loan. To effect the pledge, Panthera shall also transfer the control of their equity holding to any individual appointed by Adv S1. The equity holding (under the pledge) shall not be transferable and/or assignable to any third party without written consent from Adv S1 or any individual/entity as instructed or nominated by Adv S1. Panthera and the Project Company shall carry out all corporate procedures as necessary and requested by Adv S1 or any individual/entity as instructed or nominated by Adv S1 for this purpose, including but not limitation to giving the capital contribution completion certificate for the appointee's custody.

- (iii) Both Panthera and the Project Company shall complete all corporate paperwork to properly recognize any payment for the acquisition of the Project Land under the ownership and capital of the Project Company in accordance with Vietnamese Laws.
- (iv) For the above purposes, the Project Company and its shareholders agree that Adv S1 or its representative shall become the authorized signatory of the bank account(s) of the Project Company and has absolute controls over the Project Company's bank account(s) used for the acquisition of the Project Land. Adv S1 reserves the right to appoint its representative as the chief financial officer of the Project Company, and Adv S1 shall have its representative as a member of the board of directors of the Project Company and any resolution of the board of directors shall be effective only with consent or approval by Adv S1's representative. Panthera and the Project Company shall carry out all necessary corporate procedures in accordance with the Charter of the Project Company as well as requirements by the bank for these purposes.
- (v) Adv S1 shall always have the right to convert the Convertible Loan into its equity holding equivalent to 75% of the total Charter Capital of the Project Company at any time after the Conditions Precedents have been fulfilled by the Project Company and Panthera. In exercising that option, Adv S1 shall not charge Panthera and/or the Project Company of the yield (15% per annum). After the conversion, Adv S1 or any individual/entity as instructed or nominated by Adv S1 shall become the owner of the Project Company with capital holding of 75% of the paid-up capital of the Project Company without any other payment to Panthera and/or the Project Company.
- (vi) Immediately after receipt of Adv S1's notice of the conversion option, Panthera and/or the Project Company shall, within ten (10) days from the notice or a longer period of time consented by Adv S1, cause all required or necessary corporate and regulatory procedures, formalities and requirements to be completed for the purpose of transfer of the Private Share Acquisition (as defined below) by Adv S1 or any individual/entity as instructed or nominated by Adv S1, including but not limited to proper registration with the state authority. If Adv S1 has exercised this option and become the owner of 75% of the paid-up Charter Capital of the Project Company as mentioned, Panthera and/or the Project Company shall be free from any obligation to pay for the Convertible Loan (including any interests arisen therefrom).
- (vii) If, after acquisition of the Project Land, the Project cannot be implemented due to any of Force Majeure events, or the Project development parameters

are not satisfactory to Adv S1, then the Project Company shall be obliged to dispose the Project Land immediately at the request of Adv S1 or any individual/entity as instructed or nominated by Adv S1 in order to refund Adv S1's payments for the Convertible Loan.

BANK LOAN

In addition to the Convertible Loan, Adv S1 shall assist the Project Company to apply for a loan of VND 120,000,000,000 (One Hundred Twenty Billion Vietnamese Dong) (equivalent to S\$7,751,210 based on an exchange rate of S\$1.00:VND15,481.43) (if Convertible Loan is VND60,000,000,000) from a bank operating in Vietnam or overseas in order to have sufficient fund for the acquisition of the Project Land in addition to the Convertible Loan.

For the purpose of obtaining this bank loan, Adv S1 and Panthera agree to jointly provide necessary guarantees as requested by the relevant bank. In addition, the Project Company shall provide security as requested by Adv S1 to secure the repayment of the bank loan, including but not limited to mortgaging the land use rights of the Project Land (once transferred to the Project Company) at the bank.

If, after acquisition of the Project Land, the Project cannot be implemented due to any of the Force Majeure events, or the Project development parameters are not satisfactory to Adv S1, then the Project Company shall be obliged to dispose the Project Land immediately at the request of the Adv S1 or any individual/entity as instructed or nominated by Adv S1 in order to repay the bank loan.

CONDITIONS PRECEDENT

The completion of the cooperation is notably subject to the fulfilment of the conditions precedent which shall include but are not limited to:

- I. Panthera and other shareholders of the Project Company completing their capital contribution to the Charter Capital;
- II. The Project Land is well suitable for developing the Project with at least certain parameters as set out in the JVA ("**Parameters**");
- III. At the time of the private share placement in which the Project Company shall issue the private shares with the value equivalent to the amount of the Convertible Loan and equal to 75% of the Charter Capital of the Private Company ("**Private Share Acquisition**") to Adv S1 or any individual/entity as instructed or nominated by Adv S1, Project Company shall be in the status of being free from any financial obligation/responsibility to the authorities and/or any third party, any dispute and or claim from any party except for the bank loan and the mortgage of the Project Land;
- IV. The Project Land is completely transferred to the Project Company without any encumbrance, and there is no order and/or decision issued by relevant authorities of Vietnam issued on revocation or cancelation in whole or in part of its rights to the Project Land or of the Project Company's Enterprise Registration Certificate and Investment Registration Certificate up to the date on which the share subscription agreement for the Private Share Acquisition is executed;

- V. The Project Company has obtained in-principle approvals on the Parameters and permits for constructing the Project;
- VI. The Private Share Acquisition has been properly registered in accordance with Vietnamese Laws and the Project Company has obtained the Investment Registration Certificate for implementing the Project;
- VII. All parties have expressed agreements through written form on the Project Company's Charter; and
- VIII. The Project Company has fulfilled all conditions precedent stated in the JVA.

Post-transfer conditions

The option to convert the Convertible Loan by Adv S1, by subscription of the new shares issued by the Project Company with the value of VND60,000,000,000 (Sixty Billion Vietnamese Dong) (equivalent to S\$3,875,610 based on an exchange rate of S\$1.00:VND15,481.43) in order to hold 75% of its Charter Capital, amongst other conditions stated in the JVA, is also subject to the following conditions:

- I. Adv S1 or any individual/entity as instructed or nominated by Adv S1 shall have the right to be in charge of and full control of the management and business of the Project Company. For the purpose of this clause, all the decisions of the general meetings of shareholders of the Project Company as from the date of the JVA shall be subject to prior consent of Adv S1 or any individual/entity as instructed or nominated by Adv S1. In addition, the general meetings of shareholders of the Project Company must appoint individuals designated by Adv S1 or any individual/entity as instructed or nominated by Adv S1 to be (i) members of Management Board, (ii) legal representative, (iii) general director, (iv) chief accountant and any other managerial positions of the Project Company; and
- II. Panthera shall be obliged to assist the Project Company in all administrative procedures at relevant authorities for the purpose of implementing the Project.

RATIONALE FOR ISSUING CONVERTIBLE LOAN

Vietnam is currently one of the most sought after emerging markets for investors at the moment. In view of rising land prices and infrastructure costs in Da Nang, the Company feels that this issuance of the Convertible Loan to the Project Company would be a relatively safe investment for the Company in light of the security of the pledge over equity holding equal to 75% of the Charter Capital in favour of Adv S1. It also allows for the Company to obtain a foothold in the hotel sector in Vietnam if it later wishes to convert the Convertible Loan into shares in the Project Company.

The Directors have considered various factors, including but not limited to, the timeline of completion of the Project, cash flow of the Project once it is operational and the various repayment methods and are of the view that this is a good project to undertake. The Company will make further announcements as and when there are any material developments in relation to the Project.

By Order of the Board
Chin Bay Ching
Chairman and Executive Director

10 January 2017

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 "**Exchange**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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