

**TERMINATION OF AGREEMENTS FOR THE ACQUISITION OF
COMMERCIAL BENEFITS OF A RESIDENTIAL PROPERTY DEVELOPMENT PROJECT
IN HO CHI MINH CITY, VIETNAM**

INTRODUCTION

The Board of Directors (the “**Board**”) of Adventus Holdings Limited (the “**Company**”) refers to the announcement made by the Company on 12 June 2015, 22 June 2015 and 24 July 2015 on the acquisition of commercial benefits of a residential property development project in Ho Chi Minh City, Vietnam (the “**Project**”), and the various agreements (the “**Agreements**”) that the Company’s 65.0%-owned subsidiary, Crimson Star Development Pte Ltd (“**CS**”), had on 12 June 2015 entered into for the Project.

The Board would like to announce that on 23 March 2016 CS has entered into various agreements (the “**Termination Agreements**”) to terminate the Project.

TERMINATION OF THE PROJECT

Subsequent to the Agreements, the Company and CS encountered various bureaucratic and other delays in the implementation and development of the Project. These delays have affected the proposed launch date for the sale of the Project.

In view of the delays, the Company and CS have mutually agreed with the original rights holder of the Project, and Vinacon Investment and Development Company Limited (“**VID**”), to discontinue the involvement of the Company and CS in the Project (the “**Termination**”) via the termination of the Agreements. Concurrent with the Termination, the rights holder of the Project and VID intend to seek another purchaser for the Project.

TERMS AND CONDITIONS OF THE TERMINATION OF THE PROJECT

Upon the completion of the Termination Agreements,

- a) the rights holder of the Project shall refund to CS the US\$6 million (approximately S\$8.21 million¹) (the “**Refund**”) that was paid for the right to buy the entire share capital of Riverview Company Limited (“**RCL**”) for US\$300,000 (approximately S\$0.41 million), and the payment in advance of the marketing fee for the Project of US\$5.7 million (approximately S\$7.80 million). For avoidance

¹ Unless otherwise stated, all S\$ amounts in this announcement are converted based on an exchange rate of US\$1.00 to S\$1.368 as at 24 March 2016.

of doubt, the Company shall be entitled to 65%, or US\$3.9 million (approximately S\$5.33 million) of the Refund due to its 65% shareholding in CS;

- b) In addition to the Refund, the rights holder of the Project shall also pay CS a sum of US\$6 million (approximately S\$8.21 million) as compensation (the “**Compensation**”) for the termination of the Project;
- c) VID shall repay all loans extended to it by CS, together with all interest accrued in accordance to the loan agreements; and
- d) RCL shall repay all amounts owing to CS under the marketing agreements and other agreements.

The Termination Agreements are subject to, *inter alia*, the signing and completion of a definitive sale and purchase agreement between the rights holder or VID and the eventual purchaser of the Project.

Upon the full payment of the above amounts, CS shall no longer have any interest nor benefit over the Project. Nonetheless, by virtue of CS’ prior involvement in the Project, and CS having received the Compensation, the Company or CS may in future be requested by the rights holder or VID to assist in their divestment of the Project. In addition, the Company may be required to provide certain warranties and undertakings pursuant to any subsequent sale and purchase agreements that the rights holder or VID may enter into which may have financial implications on the Company.

The Company will make further announcements as and when there are any material developments in relation to the Termination and/or the Project.

RATIONALE FOR THE TERMINATION OF THE PROJECT

The Directors believe that, given the bureaucratic and other delays in the implementation and development of the Project, coupled with the uncertain legal environment brought about by recent changes in the law of property in Vietnam, the Termination of the Project and the payment of the Compensation will bring certainty and add tangible benefit and value to the Company.

Furthermore, the benefit from the Compensation that the Company will receive, after deducting costs incurred to date, is largely in line with the Company’s internal financial forecasts had the Project been developed and sold to the public.

The termination of the Project is expected to contribute positively to the Company. The proportion of the Compensation attributable to the Company is US\$3.9 million (approximately S\$5.33 million), representing 65% of the total Compensation (the “**Relevant Amount**”). The Relevant Amount represents 27.35% of the Company’s market capitalisation of approximately S\$19.5 million as at 22 March 2016, being the last market day the Shares were traded on the Catalist board of the SGX-ST immediately preceding the date of the Termination Agreements². Based on the Relevant Amount, the expected net profits attributable to the Termination are estimated to be S\$3.3 million.

² Based on the total of 1,950,619,331 Shares (excluding treasury shares), and the volume-weighted average traded price of such Shares of S\$0.01 on 22 March 2016, being the last market day immediately preceding the date of the Termination Agreements.

FINANCIAL EFFECTS

The Termination of the Project is expected to have a material effect on the earnings per share and net tangible assets per share of the Company for the financial year ending 31 December 2016. For illustrative purposes only, based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2015 and the Relevant Amount:

- a) the consolidated net tangible assets per Share (denominated in S\$ cents) attributable to Shareholders, assuming that the Termination had been completed on 31 December 2015, is expected to increase from 1.06 to 1.23 after the Termination.
- b) the consolidated profit/(loss) per Share (denominated in S\$ cents), assuming that the Termination had been completed on 1 January 2015, is expected to change from a loss of (0.16) to a profit of 0.06 after the Termination.

The above financial effects of the Termination are for illustrative purposes only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Termination.

By Order of the Board

Chin Bay Ching
Chairman and Executive Director
24 March 2016

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.

The contact person for the Sponsor is Mr Bernard Lui.
Telephone: 6389 3000
Email: bernard.lui@morganlewis.com