

**Adventus**

Adventus Holdings Limited

Annual  
Report  
**2020**

# CORPORATE INFORMATION

## REGISTERED OFFICE

52 Telok Blangah Road  
#03-06 Telok Blangah House  
Singapore 098829  
Tel: (65) 6382 2110  
Fax: (65) 6382 2420

## BOARD OF DIRECTORS

Mr Teh Chong Seng (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 AUDITORS

Nexia TS Public Accounting Corporation  
80 Robinson Road  
#25-00  
Singapore 068868  
Director-in-charge: Ms Chan Siew Ting  
(Date of appointment: Financial year ended 31  
December 2020)

## CONTINUING SPONSOR

RHT Capital Pte. Ltd.  
6 Raffles Quay  
#24-02  
Singapore 048580  
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**"). The Sponsor has not independently verified the contents of this annual report.

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., 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

# CONTENTS

<b>2</b>	Chairman's Message
<b>4</b>	Board of Directors
<b>6</b>	Key Management
<b>7</b>	Corporate Structure
<b>9</b>	Corporate Governance Report
<b>33</b>	Disclosure of Information on Directors seeking Re-Election
<b>40</b>	Sustainability Report
<b>51</b>	Directors' Statement
<b>54</b>	Independent Auditor's Report
<b>60</b>	Consolidated Statement of Comprehensive income
<b>61</b>	Balance Sheets
<b>62</b>	Consolidated Statement of Changes in Equity
<b>63</b>	Consolidated Statement of Cash Flows
<b>65</b>	Notes to Financial Statements
<b>110</b>	Statistics of Shareholding
<b>112</b>	Notice of Annual General Meeting
	Proxy Form

# CHAIRMAN'S MESSAGE



## DEAR SHAREHOLDERS,

On behalf of my fellow board members, I would like to present to you the annual report for Adventus Holdings Limited and its subsidiaries (the “**Company**” or collectively the “**Group**”) for the financial year ended 31 December 2020 (“**FY2020**”).

Since 2017, the Group has been allocating its resources to focus fully on the Property and Hospitality business. The Group’s current development is located in Vietnam, namely the Da Nang 5-Star Hotel Development and Hoi An 5-Star Resort project, both of which commenced in 2018.

Over the past 12 months, the 2019 Novel Coronavirus (“**COVID-19**”) has brought about unprecedented challenges to the global economy growth. The outbreak of COVID-19 has led to precautionary and containment measures implemented by various governments to prevent the transmission of COVID-19. As a result, travel and tourism industry faced the most hits due to global travel coming to a standstill.

The Group’s primary focus has been on the safety and well-being of our employees and business partners. Hence, we are taking responsible actions to prevent further spread of the virus in the community. During FY2020, albeit the intermittent disruptions to constructions due to lockdown in Vietnam amid the COVID-19 pandemic, development works continued to progress at a slower rate than previously scheduled. As a result, the Group expects that the completion of both developments will be delayed to some degree.

# CHAIRMAN'S MESSAGE

Taking into account the above developments in relation to changes (if any) to Vietnam's travel restrictions on foreigners and the impact of COVID-19 situation on its hospitality assets, the Group decided to postpone the opening of both the hotels until further notice.

As the Group's various hospitality projects have not been completed and accordingly the Group recorded no revenue from its hospitality projects, the Group recorded a loss of S\$0.6 million in FY2020. This loss is lower than its previous loss of S\$0.80 million in FY2019. The reduction is largely due to reduced administrative and other cost, as part of the Group's proactive measures to contain costs and conserve cashflows in the face of the global downturn.

The Group's wholly owned subsidiary, ADV S3 Private Limited ("**ADV S3**"), had entered into a joint venture agreement ("**JV Agreement**") on 19 April 2018 with Panthera Company Limited. As the project encountered multiple delays beyond the reasonable controls of all parties, the Group subsequently terminated the JV Agreement on 30 December 2019 and exercised its rights to recall the loan. The loan was repaid partially in FY2020 and fully repaid after the reporting period, i.e., January 2021.

The Group believes that the business environment will change for the better ultimately. The Group is actively exploring alternative business opportunities, apart from its existing business and hospitality developments in Vietnam. Considering the aforementioned developments and uncertainties, the Group will continue to adopt a conservative cautious approach keeping a close watch on the developments of the COVID-19 situation and will seek to realize business opportunities as and when they arise. The Company will make further announcements via SGXNET as and when there are material developments to keep shareholders updated.

I am very thankful to have the support and guidance of our Board and the management team in their efforts to provide reliable and trustworthy services. Also, I would also like to thank our valued shareholders for your understanding and unwavering support throughout the course of this financial year. We believe that the Group is an undervalued company with strong growth potential ahead. Under the stewardship of the board of directors and our management team, we will ride through this storm and emerge stronger in FY2021.

## Teh Chong Seng

Chairman and Executive Director



# BOARD OF DIRECTORS

## Mr Teh Chong Seng

### Chairman and Executive Director

Mr Teh was appointed as Chairman and Executive Director of the Company on 8 June 2020.

Mr Teh has more than 35 years of experience in the securities and capital markets of Asia Pacific. He had previously held senior executive positions with regional securities firm, and investment firms that focus on equities in South East Asia and Asia Pacific in general.

Mr. Teh has previously been a Senior Vice President of Maybank Kim Eng Securities for more than 30 years and is a Non-Executive Director of Higashi & Sons K.K. to manage investments in the commodities and resources industries or value chain.

## Mr Chin Rui Xiang

### Executive Director

Mr Chin was appointed as Executive Director of the Company on 14 March 2018. He has previously worked in a variety of management roles in listed construction companies and hotel management companies whilst being based in Ho Chi Minh City, Vietnam. He has overseen operations of one major project and assisted in securing two other projects in Vietnam. He is well versed in business development as well as deal structuring to safeguard 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 Nomination Committee.

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 Loh Eu Tse Derek

### Non-Executive Independent Director

Mr Loh was appointed as Non-Executive Independent Director of the Company on 25 July 2014. He chairs the Nominating Committee and is 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 and currently, he sits on the Board of listed companies in Singapore and abroad, including Federal International (2000) Limited, K2 F&B Holdings Limited, Kitchen Culture Holdings Ltd., Vibrant Group Limited and Vietnam Enterprise Investment Limited.

Mr Loh is a member of the Board of Governors of Saint Joseph Institution International and is on the Board of Trustees of Saint Joseph's Institution Foundation (Singapore), a charity organisation.

## 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 Committee.

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 SMEs. Mr Wong remains active in the SME 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, United Kingdom 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**

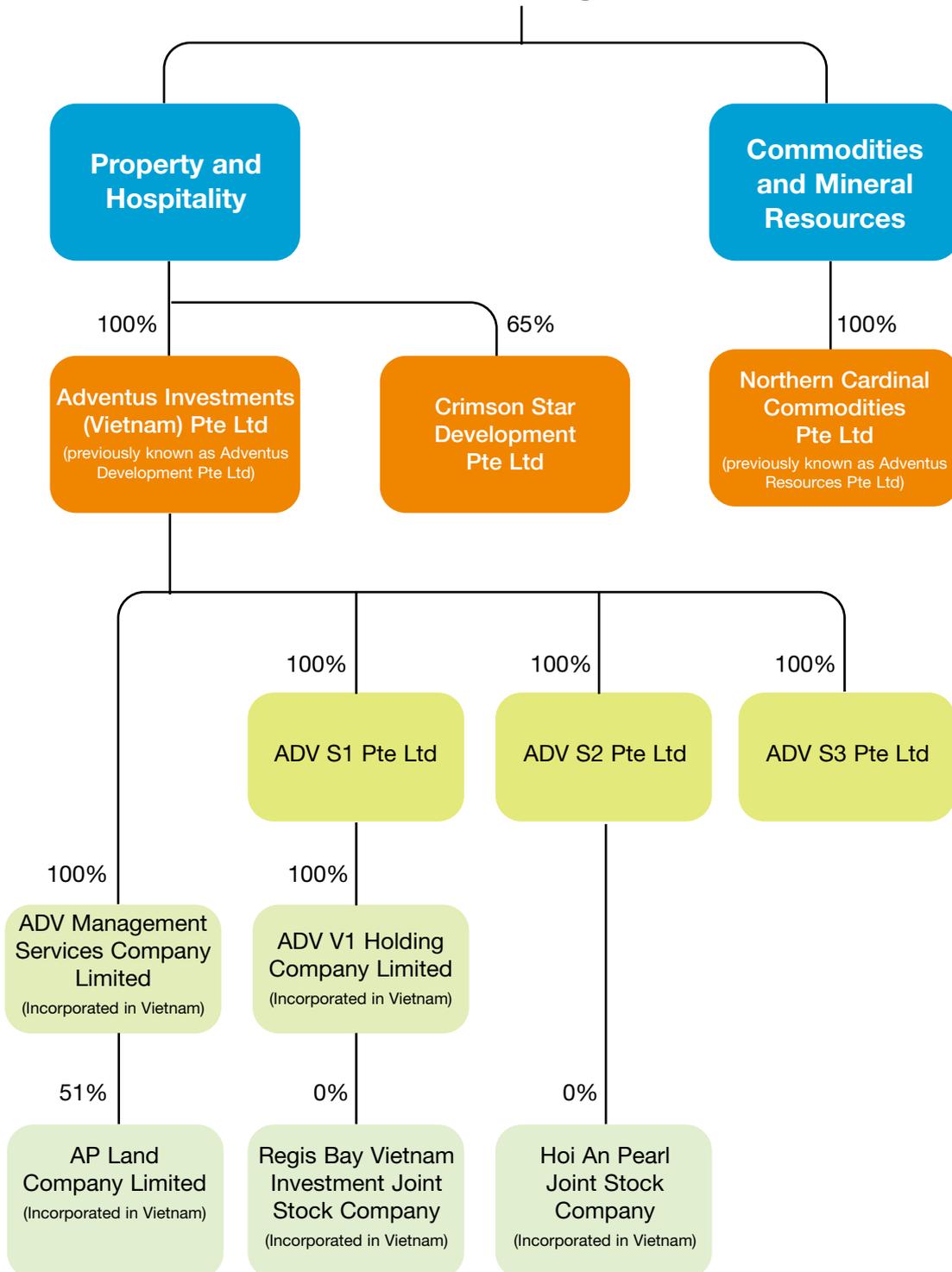
Mr. Yau Woon Soon joined the Company as the Chief Financial Officer with effect from 18 August 2020. He is responsible for the overall financial, accounting, compliance reporting and internal control functions of our Group. He is also in-charge of liaising with and reporting to our Audit Committee on 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 Holdings Limited





# CORPORATE GOVERNANCE REPORT

The Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) require 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 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 in 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 2020 (“**FY2020**”), 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 such as environmental and social factors, as part of its 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 exercise 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 when the conflict-related matters is discussed, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he is 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. As at date of this report, there was one (1) new director appointed during FY2020, Mr Teh Chong Seng who was appointed on 8 June 2020 and has completed the prescribed training courses organized by SID during the year.

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 FY2020, 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

In addition, the Executive Chairman and Executive Director 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 Catalyst 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 FY2020, the frequency of meetings held, and the attendance of each member of the Board and Board Committees are as follows:

	Board	AC	NC	RC
<b>Number of meetings held</b>	3	3	2	2
<b>Director</b>	<b>Number of meetings attended</b>			
Mr Teh Chong Seng <sup>(1)</sup>	2	2*	1*	1*
Mr Chin Rui Xiang	3	3*	2*	2*
Mr Gersom G Vetuz	3	3	2	2
Mr Loh Eu Tse Derek	3	3	2	2
Mr Wong Loke Tan	3	3	2	2

\* Attendance by invitation of the respective Board Committee

**Note:**

(1) Mr Teh Chong Seng was appointed as Chairman and Executive Director on 8 June 2020.

To facilitate the meetings, the Company's Constitution allow 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 so to ensure that the Board is able to contribute meaningfully during Board meetings so to enable 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, Chapter 50 of Singapore ("**Companies Act**") and the Catalist Rules) are complied with.

# CORPORATE GOVERNANCE REPORT

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.

## 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.**

At the date of this CG Report, the Board comprises of two (2) Executive Directors and three (3) Non-Executive Independent Directors. The table below summarizes the Board composition and its Board Committees for FY2020 as follows:

Name of Director	Designation	Audit Committee	Nominating Committee	Remuneration Committee
Mr Teh Chong Seng <sup>(1)</sup>	Chairman and Executive Director	–	–	–
Mr Chin Rui Xiang	Executive Director	–	–	–
Mr Gersom G Vetuz	Non-Executive Independent Director	Chairman	Member	Member
Mr Loh Eu Tse Derek	Non-Executive Independent Director	Member	Chairman	Member
Mr Wong Loke Tan	Non-Executive Independent Director	Member	Member	Chairman

### Note:

(1) Mr Teh Chong Seng was appointed as Chairman and Executive Director on 8 June 2020.

The Board considers the existence of relationships or circumstances, including those identifies by the 2018 Code and Catalyst Rules, that are relevant to determine whether a Director is independent. Pursuant to Catalyst 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 considers 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;



# CORPORATE GOVERNANCE REPORT

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.

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 recognizes 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 Gersom**"), 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 Gersom abstaining from the review) had rigorously reviewed and agreed that Mr Gersom had participated, deliberated and always expressed his views independently and objectively. The Board acknowledges that Mr Gersom brings invaluable expertise, experience and knowledge to the Board. Mr Gersom 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 Gersom remains independent in terms of character and judgement and can continue to be considered independent director. 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.

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules that will come into effect on 1 January 2022, the appointment of an independent director who has served an aggregate period of more than nine (9) years (whether before or after listing) will be subject to a two-tier voting process. The continued appointment of such person as an independent director has to be approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer, and associates of such directors and chief executive officer. Accordingly, Mr Gersom will be required to adhere to the above two tier voting mechanism should he wish to seek for re-election.

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

The Chairman of the Board 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 Nominating Committee ("**NC**") to ensure that the Board collectively possess 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.***

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.

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.

# CORPORATE GOVERNANCE REPORT

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 FY2020, the Non-Executive Independent Directors met periodically without the presence of the Management, the Executive Chairman and Executive Director to discuss and evaluate the performance of Management and thereafter, provide feedback to the Executive Chairman after such meetings.

## 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 Executive Director are responsible for running the operations of the Company.

The Executive 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 Teh Chong Seng (“**Mr Teh**”) discharged his duty as Chairman and Executive Director of the Company objectively with the help of other Board members. He plays a role in mapping out the directions for the Group's growth at a strategic level and from the business development perspective. Mr Teh also exercises control over the quality and timeliness of information flow between Management and the Board. He chairs Board meetings and monitors the translation of the Board's decisions to Management. He ensures effective communication with shareholders at the shareholders' meetings. In addition, he promotes high standards of corporate governance in compliance with the 2018 Code.



# CORPORATE GOVERNANCE REPORT

**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 as the Company does not have a CEO and majority of the Board comprises Non-Executive Independent Director. 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.

## 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.**

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;

# CORPORATE GOVERNANCE REPORT

- (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 FY2020, the NC also took into consideration the amendments to the Catalist Rules that will come into effect from 1 January 2022 in relation to the continued appointment of an Independent Director who has served 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 requires 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.
- (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.

After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new Director.

Mr Teh Chong Seng was appointed as Chairman and Executive Director of the Company on 8 June 2020.

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 provide 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. 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:

# CORPORATE GOVERNANCE REPORT

Name of Director	Appointment	Date appointed	Article of the Constitution
Mr Gersom G Vetuz <sup>(1)</sup>	Non-Executive Independent Director	15 September 2008	Article 95
Mr Loh Eu Tse Derek <sup>(1)</sup>	Non-Executive Independent Director	25 July 2014	Article 95

(1) 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 10% 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 FY2020.

Each member of the NC abstains 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 FY2020, there was no alternate director on the Board.

**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.**

# CORPORATE GOVERNANCE REPORT

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 Teh Chong Seng	8 June 2020	29 June 2020	–	–	–
Mr Chin Rui Xiang	14 March 2018	29 June 2020	–	–	–
Mr Gersom G Vetuz	15 September 2008	30 April 2019	–	–	–
Mr Loh Eu Tse Derek	25 July 2014	30 April 2019	Federal International (2000) Ltd K2 F&B Holdings Limited Kitchen Culture Holdings Ltd. Vibrant Group Limited Vietnam Enterprise Investments Limited	Metech International Limited DISA 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
Mr Wong Loke Tan	11 May 2017	29 June 2020	International Cement Group Limited K2 F&B Holdings Limited Koyo International Limited Union Steel Holdings 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 with 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 Committee 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 abstains 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) the review and recommendation to the Board for approval the policy for determining the remuneration of the key executives of the Group, including that of the Executive Director and key management personnel;
- (b) the review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programs including the terms of renewal for those Executive Directors;
- (c) the review and recommendation to the Board a general framework of remuneration for the Board and key management personnel;
- (d) the review and recommendation of 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) the review of 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) the review of remuneration of senior management and would cover all aspects of remuneration including salaries, allowances, bonuses, options and benefit in-kind, where applicable;
- (g) the review of 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
- (i) 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 FY2020.

# 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 abstains 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 FY2020, 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: The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.**

**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:

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

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

# CORPORATE GOVERNANCE REPORT

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.

Mr Teh Chong Seng and Mr Chin Rui Xiang, the Executive Directors of the Company, have entered into separate service agreements with the Company which are reviewed annually (unless otherwise terminated by either party giving not less than three (3) months’ notice to the other). The service agreements cover the terms of employment and specifically, the salaries and bonuses.

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 FY2020.

***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, 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 FY2020 is appropriate, considering the effort, time spent and responsibilities of the said Directors.

The RC proposed the Directors’ Fees for FY2021 to be payable quarterly in arrear and recommended the same to the Board for approval and tabling at the forthcoming AGM for shareholders’ approval.

## **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 FY2020 is as follows:

Name of director	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	Directors' fees <sup>(3)</sup>	Total remuneration (S\$'000)
Mr Teh Chong Seng <sup>(4)</sup>	100%	–	–	77
Mr Chin Rui Xiang	100%	–	–	156
Mr Gersom G Vetuz	–	–	100%	45
Mr Loh Eu Tse Derek	–	–	100%	40
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, in 2021, for being a Director in FY2020. This is subject to shareholders' approval at the AGM of the Company to be held on 30 April 2021.
- (4) Mr Teh Chong Seng's remuneration had been prorated accordingly as he was appointed as the Chairman and Executive Director of the Company on 8 June 2020.

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 FY2020 is S\$243,210.

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 FY2020 is as follows:

Remuneration band of key management personnel	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>
<u>Between \$200,000 and \$250,000</u>		
Mr Wong Sonny Wing Doug	93%	7%
<u>Between \$0 and \$100,000</u>		
Mr Yau Woon Soon <sup>(3)</sup>	94%	6%

## Notes:

- (1) Salary is inclusive of allowances, CPF and other emoluments.
- (2) Bonus is inclusive of CPF.
- (3) Mr Yau Woon Soon's remuneration had been pro-rated accordingly as he was appointed as Chief Financial Officer of the Company on 18 August 2020.

**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\$50,000.

# CORPORATE GOVERNANCE REPORT

1. Mr Wong Wing Doug, whom is son-in-law to the Controlling Shareholder, Mr Chin Bay Ching and brother-in-law to the Executive Director, Mr Chin Rui Xiang.

Except as disclosed herein, there was no other employee related to substantial shareholders, director or CEO whose salary exceeded S\$50,000 in FY2020.

**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 Catalyst 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.

# CORPORATE GOVERNANCE REPORT

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;
- (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 obtained written confirmations from the Executive Chairman and Chief Financial Officer:

- (a) 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) 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 FY2020.

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.

## 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.**

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

# CORPORATE GOVERNANCE REPORT

The members of the AC (including the AC Chairman) has 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.

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 independent auditors; and (ii) the remuneration and terms of engagement of the independent 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
- (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 Nexia TS Public Accounting Corporation (“Nexia”), the independent auditors, of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group’s business and financial statements.

# CORPORATE GOVERNANCE REPORT

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 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, Nexia 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 Nexia 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\$139,589. 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 Catalist 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 Nexia'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 Nexia is able to meet its audit obligations, and together with the Board, recommends the re-appointment of Nexia 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 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**.

**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, save for Mr Gersom G Vetuz, 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**

# CORPORATE GOVERNANCE REPORT

The Group outsources its internal audit function to Yang Lee & Associates (“IA”). 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 is a corporate member of the Institute of Internal Auditors of Singapore and the internal audit engagement is carried out in line with the standards as stipulated by the International Professional Practices Framework (“IPPF”) as set out by the Institute issued by the Institute of Internal Auditors.

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 FY2020, the AC is of the view that the IA is independent and has the appropriate standing and adequate resources to perform its function effectively and objectively.

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

## (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.

Due to the COVID-19 situation, the AGM and extraordinary general meeting (“EGM”) in 2020 were held by electronic means 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 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



# CORPORATE GOVERNANCE REPORT

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 continuing COVID-19 situation, the Company will be conducting the forthcoming AGM in the similar manner according to the relevant regulations.

**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.

**Provision 11.3: All directors attend general meetings of shareholders, and the independent 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 of 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 for the Company's financial year ended 31 December 2019 ("FY2019") held on 29 June 2020 and the EGM held on 27 October 2020.

**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 recognize 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 FY2020, 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 FY2020.

**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 FY2020 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.

# CORPORATE GOVERNANCE REPORT

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.

**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, any information that may be regarded as undisclosed material information about the Group will not be provided.

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 on 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 includes 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.



# CORPORATE GOVERNANCE REPORT

Please refer to the Sustainability Report on pages 40 to 50 of the Annual Report for further details.

## **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 the URL [www.adventusholdings.com](http://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 was no interested person transaction above S\$100,000 entered into by the Group during FY2020.

### MATERIAL CONTRACTS

As stipulated in Catalist Rule 1204(8) to disclose the particulars of 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 FY2020 or if not then subsisting, entered into by the Company since FY2020. Details of the material contracts are set out below:

- (a) On 15 April 2020, the Company entered into a loan agreement with Mr Chin Bay Ching, who is the controlling shareholder and father of Mr Chin Rui Xiang (Executive Director of the Company), for the provision of an unsecured and interest-free loan amounting to S\$1,000,000.
- (b) On 19 June 2020, the Company entered into a loan agreement with Higashi & Sons Pte. Ltd. (formerly known as Hayden & Sons Pte. Ltd.) who is the controlling shareholder of the Company, for the provision of an unsecured and interest-free loan amounting to S\$5,000,000.

### 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 year under review.

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Gersom G Vetuz and Mr Loh Eu Tse Derek are the Directors seeking re-election at the forthcoming Annual General Meeting (“AGM”) of the Company to be convened by way of electronic means on 30 April 2021 (“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 Gersom G Vetuz	Mr Loh Eu Tse Derek
Date of Appointment	15 September 2008	25 July 2014
Date of last re-appointment	29 April 2019	29 April 2019
Age	76	54
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 Gersom G Vetuz 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 Gersom G Vetuz is considered independent for the purpose of Rule 704(7) of the Catalist Rules.	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.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director, Chairman of the Audit Committee and member of the Nominating and Remuneration Committees.	Non-Executive Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees.
Professional qualifications	<ul style="list-style-type: none"> <li>Bachelor Degree in Business Administration (Major in Accounting) from the University of the East, Manila, Philippines</li> <li>Certified Public Accountant in the Philippines</li> <li>Attended the Executive Program in Business Administration at Columbia University, New York, USA</li> </ul>	<ul style="list-style-type: none"> <li>Graduated from University of Cambridge with Honours</li> <li>Obtained barrister-at-law in England</li> <li>An advocate and solicitor in Singapore</li> </ul>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
Working experience and occupation(s) during the past 10 years	Previously worked as an Audit Principal at Deloitte & Touche Singapore and a Partner at Moore Stephens LLP, Singapore	Presently an executive director in TSMP Law Corporation Singapore
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 2,200,000 shares, representing 0.11%	Nil
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	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<b>Other Principal Commitments Including Directorships</b>		
Past (for the last 5 years)	Nil	<ol style="list-style-type: none"> <li>1. Metech International Limited</li> <li>2. DISA Limited</li> </ol>
Present	<ol style="list-style-type: none"> <li>1. Adventus Holdings Limited</li> </ol> <p><u>Other Principal Commitments (other than directorships)</u></p> <p>None</p>	<ol style="list-style-type: none"> <li>1. Adventus Holdings Limited</li> <li>2. Camembert Holdings Pte. Ltd.</li> <li>3. Federal International (2000) Ltd</li> <li>4. K2 F&amp;B Holdings Limited</li> <li>5. Kitchen Culture Holdings Ltd.</li> <li>6. TSMP Law Corporation Singapore</li> <li>7. Vibrant Group Limited</li> <li>8. Vietnam Enterprise Investments Limited</li> </ol> <p><u>Other Principal Commitments (other than directorships)</u></p> <ol style="list-style-type: none"> <li>1. St. Joseph's Institution International Elementary School Ltd.</li> <li>2. St. Joseph's Institution International Ltd.</li> <li>3. St. Joseph's Institution Philanthropic Fund for the Lasallian Mission Ltd</li> </ol>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
<b>Information required pursuant to Catalyst Rules 704(6) and/or 704(7)</b>		
(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	No
(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
(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

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
<b>Information required pursuant to Catalyst Rules 704(6) and/or 704(7) (cont'd)</b>		
(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	No
(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 Gersom G Vetuz	Mr Loh Eu Tse Derek
<p>(j) 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>I was a non-executive director of Abterra Ltd from 1 July 2006 to 30 June 2009. Abterra Ltd was investigated by SGX in respect of potential breaches of the SGX listing rules (as per SGX letter dated 29 April 2014). The transactions which were subject of the investigation occurred when I was no longer a director of Abterra Ltd. There was no action taken against me in respect of this investigation.</p>	<p>Yes</p> <p>1. I was an independent director of Flextech Holdings Ltd (now known as Dragon Group International Limited (“<b>DGIL</b>”) 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 (“<b>CAD</b>”) in respect of a technical noncompliance of the Companies Act, Chapter 50 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>

# DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
		<p>2. I am an independent director of Vibrant Group Limited (“<b>Vibrant</b>”) 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 (“<b>Blackgold</b>”) and its subsidiaries (collectively, “<b>Blackgold Group</b>”). Blackgold was listed on the Australian Securities Exchange (“<b>ASX</b>”) 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 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, oversaw the special audit.</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	No	No

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
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	No	No
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?	No	No
(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. There was no action taken against me in respect of this investigation.	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.

# SUSTAINABILITY REPORT

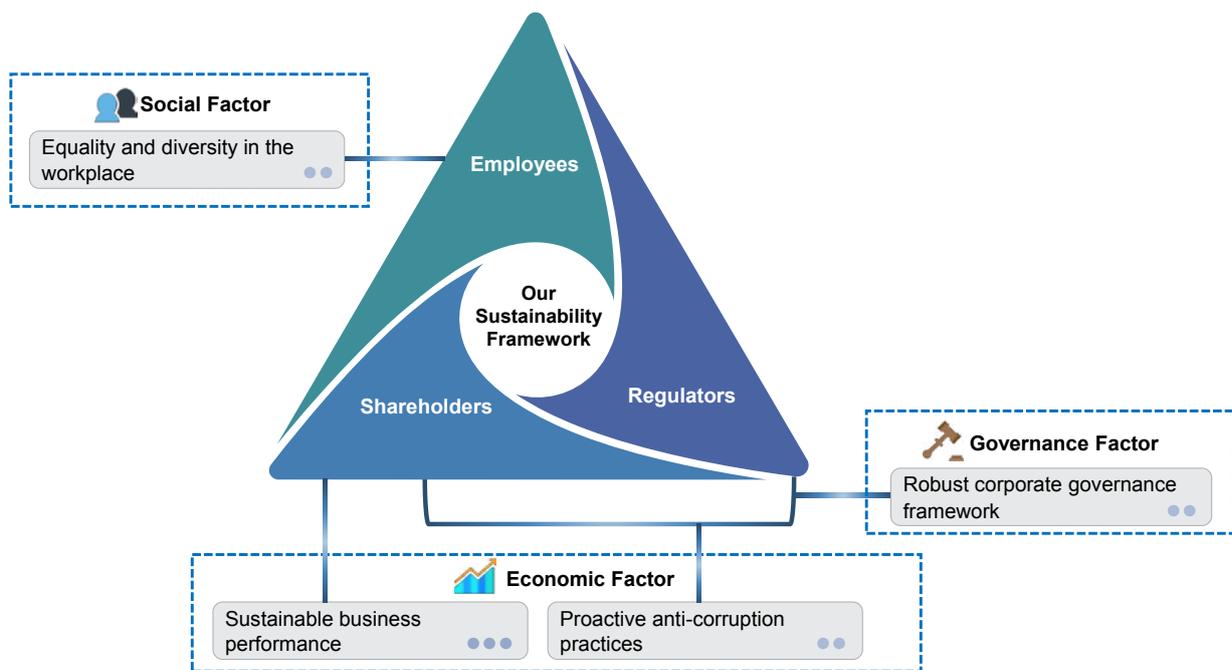
## 1. Board statement

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 our 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.

We work closely with our stakeholders, comprising employees, regulators and shareholders, in our value chain and their inputs drive our sustainability strategy. An overview of our Sustainability Factors by stakeholder is as follows:



Reporting priority<sup>1</sup>  
 ●●● High   ●● Medium   ● Low

<sup>1</sup> Reporting priority refers to the ranking assigned to each Sustainability Factor based on the level of concern to stakeholders and the significance of our impacts on the economy, environment and society. Refer to section 6.3 for further details.

# SUSTAINABILITY REPORT

A summary of our sustainability performance for the financial year ended 31 December 2020 (“FY2020” or “Reporting Period”) is as follows:

S/N	Material factor and reporting priority	Target for FY2020	Sustainability performance for FY2020	Our efforts
<b>Economic</b>				
1	Sustainable business performance ●●●	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 has yet to be completed	Implement tight controls over cash outflows to conserve working capital and perform regular review of business performance by senior management and the Board of Directors (“Board”)
2	Proactive anti-corruption practices ●●	Maintain zero incident of serious offence	There is no incident of serious offence	Implement whistle blowing policy and employee handbook for employees to raise concerns about possible improprieties and disseminate corporate culture
<b>Social</b>				
3	Equality and diversity in the workplace ●●	Move towards a more balanced gender, age and educational diversity ratio	<ul style="list-style-type: none"> <li>▪ 17% of our total full-time employees is female</li> <li>▪ 38% of our workforce is at least 40 years old</li> <li>▪ 100% of our employees is tertiary educated</li> </ul>	Select employees based on merit and competency
<b>Governance</b>				
4	Robust corporate governance framework ●●	Maintain or improve our SGTI score	SGTI score increased by 8 points to 58 for the year 2020	Implement robust corporate governance practices

We face uncertainties as a result of the Coronavirus disease 2019 (“COVID-19” or “Pandemic”) which affected our operations. To tide through this uncertain period and stay on course in our sustainability journey, we are seeking to realise alternative business opportunities. In the meantime, we adopt a conservative cautious approach in managing our operations and have taken the following health and safety measures to protect our employees:

- Limit the number of employees at workplace at any point in time;
- Set up seating arrangement that allows for safe-distancing amongst employees;
- Provide adequate disinfectants, hand sanitisers and disposable masks for our employees; and
- Advise employees to stay home if they are not feeling well and consult doctor if necessary.



# SUSTAINABILITY REPORT

## 2. Reporting framework

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option and the Singapore Exchange Securities Trading Limited (“SGX-ST”) listing rules 711A and 711B. We have chosen the GRI framework as it is an internationally recognised reporting framework.

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 Sustainable Development Goals (“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.

## 3. Reporting period

This Report is applicable for our Group’s financial year ended 31 December 2020 and we will continue to publish a report annually in accordance with our SR Policy.

## 4. 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](mailto:info@adventusholdings.com)

## 5. Stakeholder engagement

Our efforts on sustainability is focused on creating sustainable value for our key stakeholders, which comprise employees, regulators and shareholders. 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.

We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concern raised
1	Employees	Staff evaluation sessions	Regularly	<ul style="list-style-type: none"> <li>▪ Equal employment opportunity</li> <li>▪ Job security</li> <li>▪ Remuneration</li> </ul>
2	Regulators	Consultations and briefing organised by key regulatory bodies such as Singapore Stock Exchange and relevant government agencies/ bodies	As and when required	Corporate governance
3.	Shareholders	Announcement on SGXNet	Half-yearly	<ul style="list-style-type: none"> <li>▪ Sustainable business performance</li> <li>▪ Market valuation</li> <li>▪ Dividend payment</li> <li>▪ Corporate governance</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Annual general meetings</li> <li>▪ Annual reports</li> </ul>	Annually	
		<ul style="list-style-type: none"> <li>▪ Company’s website</li> <li>▪ Business publications</li> <li>▪ Investors’ relation events</li> </ul>	Ongoing	

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

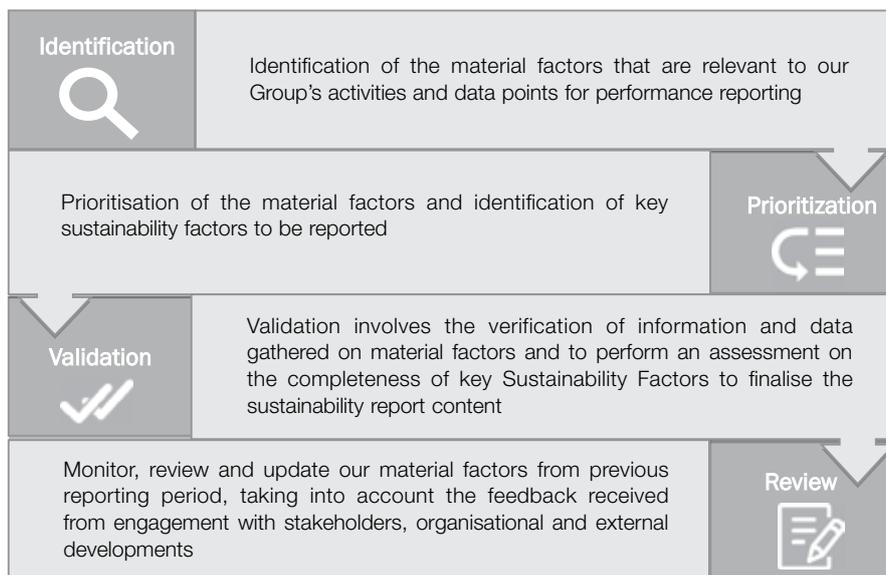
## 6. Policy, practice and performance reporting

### 6.1 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, is led by our Executive Directors. 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.

### 6.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated. The end results of this process are a list of material Sustainability Factors disclosed in this Report. A brief description of the process is as follows:



### 6.3 Materiality assessment

Under our SR Policy, each Sustainability Factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
●●●	High	Factors with high reporting priority should be reported in detail.
●●	Medium	Factors with medium reporting priority should be considered for inclusion in the Report. It may be decided to not include them in the Report if not material.
●	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. It may be decided to not include them in the Report if not material.

The reporting priority is supported by a material factor matrix considers the level of concern to stakeholders (“**Stakeholders’ Concern**”) and significance of our impacts on the economy, environment and society (“**Business Impact**”).

# SUSTAINABILITY REPORT

## 6.4 Performance tracking and reporting

We track the progress of our material 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 capture systems.

## 7. Material factors

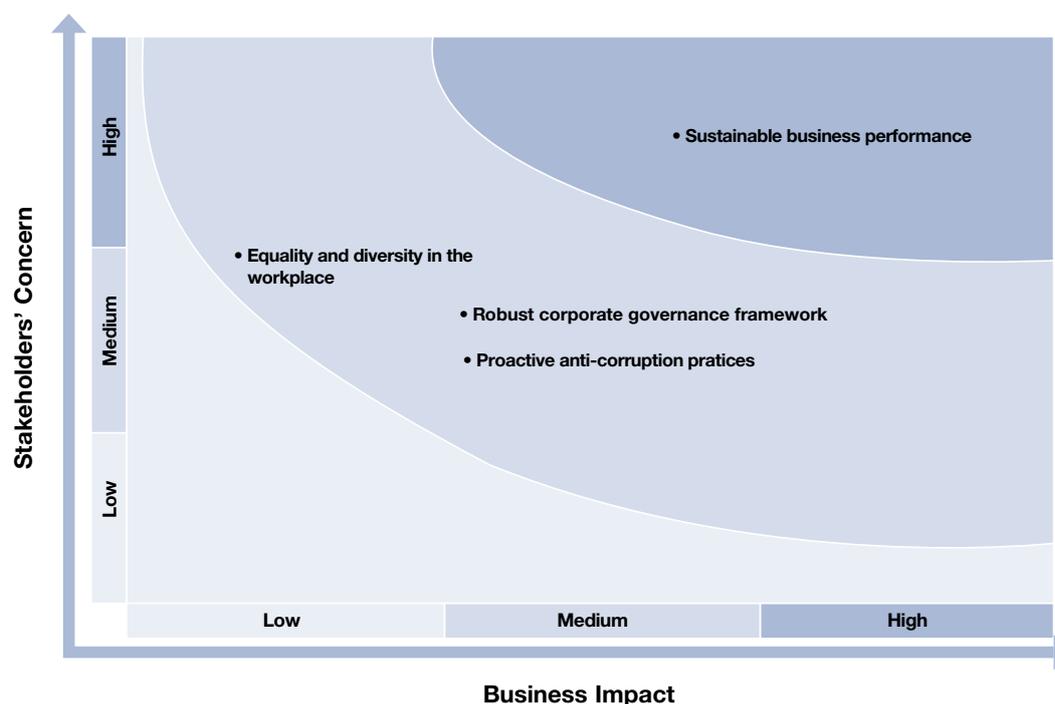
Our materiality assessment performed for FY2020 involved the SC identifying sustainability factors deemed material to our businesses and stakeholders so to allow us to channel our resources judiciously to create sustainability value for our stakeholders.

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

List of material Sustainability Factors

S/N	Material factor	SDG	Key stakeholder	Reporting priority
<b>Economic</b>				
1	Sustainable business performance	Decent work and economic growth	Shareholders	●●●
2	Proactive anti-corruption practices	Peace, justice and strong institutions	<ul style="list-style-type: none"> <li>▪ Shareholders</li> <li>▪ Regulators</li> </ul>	●●
<b>Social</b>				
3	Equality and diversity in the workplace	Reduces inequalities	Employees	●●
<b>Governance</b>				
4	Robust corporate governance framework	Peace, justice and strong institutions	<ul style="list-style-type: none"> <li>▪ Shareholder</li> <li>▪ Regulators</li> </ul>	●●

Material factor matrix



We will update the material 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:

## 7.1 Sustainable business performance

We believe that a profitable business that constantly adds shareholder's value and provide stable returns is key to our Group's sustainability over the long term.

As at 31 December 2020, we have two projects under development in Da Nang and Hoi An cities of Vietnam. The construction works for these projects are ongoing and their progress is subject to external events such as the Pandemic and the related restrictions.

In light of the current Pandemic situation, we will update our stakeholders on any further developments to these projects.

During the transitional period towards building a sustainable business, we adopted 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.

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 are exploring alternative business opportunities, apart from our existing business and hospitality developments in Vietnam.

Target for FY2020	Performance in FY2020	Target for FY2021
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 has yet to be completed	Maintain or improve our financial performance subject to market conditions

## 7.2 Proactive anti-corruption practices

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 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 FY2020, no serious offence was reported<sup>2</sup> (FY2019: zero).

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain zero incident of serious offence	There is no incident of serious offence	Maintain zero incident of serious offence

<sup>2</sup> A serious offence is defined as one that involves fraud or dishonesty amounting to not less than S\$100,000 and punishable by imprisonment for a term not less than 2 years which is being or has been committed against the Company by officers or employees of the Company.

# SUSTAINABILITY REPORT

## 7.3 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 2020, we have 24 employees (FY2019: 22).

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

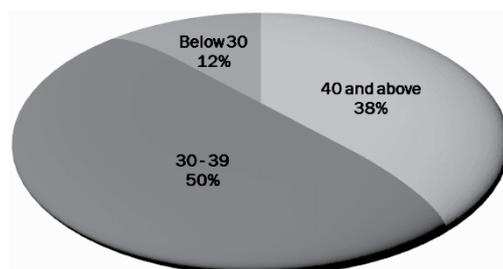
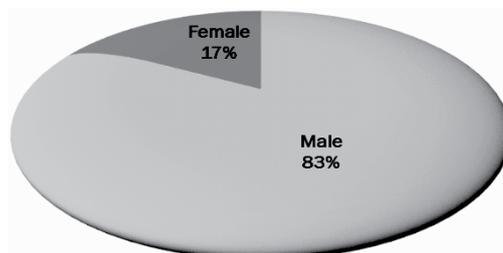
- A human resource policy is in place to select employees based on merit and competency;
- For staff recruitment, advertisements do not include age, race, gender nor religion preferences; and
- Employee handbook and a code of conduct are in place to disseminate corporate culture.

On gender diversity, the percentage of female to total full-time employees is 17% (FY2019: 23%) as at 31 December 2020.

On age diversity, matured workers are valued for their experience, knowledge and skills. As at 31 December 2020, 38% (FY2019: 41%) of our workforce is at least 40 years old.

On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. As at 31 December 2020, 100% of our employees is tertiary educated (FY2019: 100%).

Gender diversity (full-time employees)



Target for FY2020	Performance in FY2020	Target for FY2021
Move towards a more balanced or maintain existing gender, age and educational diversity ratios	No material changes in diversity ratios between FY2019 and FY2020.  We will continue to strive towards a diversified workforce that is balanced in terms of gender, age and educational diversity ratios.	Move towards a more balanced or maintain existing gender, age and educational diversity ratios

## 7.4 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.

Our overall SGTI score assessed by National University of Singapore Business School is 58 for the FY2020 (FY2019: 50). We will continuously work towards improving our corporate governance practices.

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

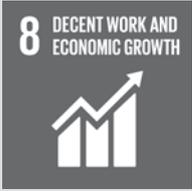
Target for FY2020	Performance in FY2020	Target for FY2021
Maintain or improve our SGTI score	SGTI score increased by 8 points to 58 for the year 2020	Maintain or improve our SGTI score

## 7.5 Environment

During this transitional period of our business journey, our impact on the environment is deemed not to be a material Sustainability Factor. However, we are conscious of conserving and protecting the environment that we operate in. Accordingly, for our projects under development, our management and design team work closely with professional service firms and contractors to incorporate and build design features that optimise energy efficiency. For example, we continuously source for viable applications of renewable energy technologies for our projects under development.

## 8. 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 Sustainable Development Goals (“SDGs”), 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
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><u>Section 7.1 Sustainable business performance</u> We contribute to economic growth through creating long-term economic value for our shareholders.</p>
 <p>Reduce inequality within and among countries</p>	<p><u>Section 7.3 Equality and diversity in the workplace</u> We provide equal opportunity for all regardless of gender, age and educational background.</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels</p>	<p><u>Section 7.2 Proactive anti-corruption practices</u> We constantly develop and integrate business practices to effectively address the threat of corruption to maintain the transparency and integrity of our business.</p> <p><u>Section 7.4 Robust corporate governance framework</u> We maintain a high standard of corporate governance framework to safeguard our shareholders’ interest and maximise long-term shareholder value.</p>

# SUSTAINABILITY REPORT

## 9. GRI content index

GRI standard & disclosure title		Section reference	Page
<b>Organisational profile</b>			
102-1	Name of the organisation	Cover page	-
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> <li>▪ Chairman's Message</li> <li>▪ Sustainability Report &gt; Material Factors &gt; Sustainable Business Performance</li> <li>▪ Notes to Financial Statements &gt; Investments in Subsidiary Corporations</li> </ul>	2 - 3 45 83 - 89
102-3	Location of headquarters	<ul style="list-style-type: none"> <li>▪ Corporate Information</li> <li>▪ Notes to Financial Statements &gt; General Information</li> </ul>	- 65
102-4	Location of operations	Notes to Financial Statements > Investments in Subsidiary Corporations	83 - 89
102-5	Ownership and legal form	<ul style="list-style-type: none"> <li>▪ Corporate Structure</li> <li>▪ Notes to Financial Statements &gt; General Information</li> <li>▪ Notes to Financial Statements &gt; Investments in Subsidiary Corporations</li> <li>▪ Statistics of Shareholding</li> </ul>	7 65 83 - 89 110 - 111
102-6	Markets served	<ul style="list-style-type: none"> <li>▪ Chairman's Message</li> <li>▪ Sustainability Report &gt; Material Factors &gt; Sustainable Business Performance</li> <li>▪ Notes to Financial Statements &gt; Investments in Subsidiary Corporations</li> <li>▪ Notes to Financial Statements &gt; Segment information</li> </ul>	2 - 3 45 83 - 89 106 - 108
102-7	Scale of the organisation	<ul style="list-style-type: none"> <li>▪ Sustainability Report &gt; Material Factors &gt; Sustainable Business Performance</li> <li>▪ Sustainability Report &gt; Material Factors &gt; Equality and Diversity in the Workplace</li> <li>▪ Consolidated Statement of Comprehensive Income</li> <li>▪ Balance Sheets</li> </ul>	45 46 60 61
102-8	Information on employees and other workers	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	46
102-9	Supply chain	For our projects under development in Da Nang and Hoi An of Vietnam, we work closely with professional service firms and contractors for design and build works	-
102-10	Significant changes to the organisation and its supply chain	Sustainability Report > Material Factors > Sustainable Business Performance	45
102-11	Precautionary Principle or approach	None	-
102-12	External initiatives	Sustainability Report > Supporting the UN Sustainable Development Goals	47
102-13	Membership of associations	None	-
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Sustainability Report > Board Statement	40 - 41

# SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> <li>▪ Corporate Governance Report</li> <li>▪ Sustainability Report &gt; Material Factors &gt; Robust Corporate Governance Framework</li> </ul>	9 - 32 46
<b>Governance</b>			
102-18	Governance structure	<ul style="list-style-type: none"> <li>▪ Corporate Governance Report</li> <li>▪ Sustainability Report &gt; Policy, Practice and Performance Reporting &gt; Reporting Structure</li> </ul>	9 - 32 43
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	Sustainability Report > Stakeholder Engagement	42
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	–
102-42	Identifying and selecting stakeholders	Sustainability Report > Stakeholder Engagement	42
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement	42
102-44	Key topics and concerns raised	Sustainability Report > Stakeholder Engagement	42
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> <li>▪ Corporate Structure</li> <li>▪ Notes to Financial Statements &gt; Investments in Subsidiary Corporations</li> </ul>	7 83 - 89
102-46	Defining report content and topic Boundaries	Sustainability Report > Policy, Practice and Performance Reporting > Sustainability Reporting Processes	43
102-47	List of material topics	Sustainability Report > Material Factors	44 - 47
102-48	Restatements of information	None	–
102-49	Changes in reporting	None	–
102-50	Reporting period	Sustainability Report > Reporting Period	42
102-51	Date of most recent report	Annual Report 2019 > Sustainability Report	–
102-52	Reporting cycle	Sustainability Report > Reporting Period	42
102-53	Contact point for questions regarding the report	Sustainability Report > Feedback	42
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> <li>▪ Sustainability Report &gt; Reporting Framework</li> <li>▪ Sustainability Report &gt; GRI Content Index</li> </ul>	42 48 - 50
102-55	GRI content index	Sustainability Report > GRI Content Index	48 - 50
102-56	External assurance	We may seek external assurance in the future	–



# SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
<b>Management approach</b>			
103-1	Explanation of the material topic and its Boundary	Sustainability Report > Material Factors	44 - 47
103-2	The management approach and its components	<ul style="list-style-type: none"> <li>▪ Sustainability Report &gt; Board Statement</li> <li>▪ Sustainability Report &gt; Policy, Practice and Performance Reporting</li> <li>▪ Sustainability Report &gt; Material Factors</li> </ul>	40 - 41 43 - 44 44 - 47
103-3	Evaluation of management approach	Sustainability Report > Material Factors	44 - 47
<b>Category: Economic</b>			
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>▪ Sustainability Report &gt; Material Factors &gt; Sustainable Business Performance</li> <li>▪ Consolidated Statement of Comprehensive Income</li> <li>▪ Balance Sheets</li> </ul>	45 60 61
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report > Material Factors > Proactive Anti-Corruption Practices	45
<b>Category: Social</b>			
405-1	Diversity of governance bodies and employees	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	46

# 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 2020 and the balance sheet of the Company as at 31 December 2020.

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 60 to 109 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 2020 and of 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 Rui Xiang  
Gersom G Vetuz  
Loh Eu Tse Derek  
Teh Chong Seng (appointed on 08 June 2020)  
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	
	At 31.12.2020	At 1.1.2020
<b>The Company</b> (No. of ordinary shares)		
Gersom G Vetuz	2,200,000	2,200,000

The directors' interests in the ordinary shares of the Company as at 21 January 2021 were the same as those as at 31 December 2020.



# 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 at the end of 31 December 2017 and there are no options of New Scheme granted as at 31 December 2020.

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 all non-executive independent directors, is chaired by Mr Gersom G Vetuz, and includes Mr Loh Eu Tse Derek and Mr Wong Loke Tan. The AC has met three times since the last Annual General Meeting ("**AGM**") and has reviewed the following, where relevant, with the executive directors and independent auditor and internal auditors 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 plans of the independent auditor;
- (d) The statement of financial position 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 announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (f) The co-operation and assistance given by management to the Group's independent 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 auditors have unrestricted access to the AC.

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

# DIRECTORS' STATEMENT

## Independent Auditor

The independent auditor, 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*

**15 April 2021**



# 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 2020, 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 60 to 109.

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 Companies Act, Chapter 50 (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 2020 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.

### Other Matter

The financial statements of the Group for the financial year ended 31 December 2019 were audited by another independent auditor who expressed an unmodified opinion on those statements on 13 April 2020.

### 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 2020. These matters were addressed in 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><b>Going concern</b></p> <p>As disclosed in Note 2.1 to the financial statements, the Group incurred a net loss of \$636,706 and net cash used in operating activities of \$1,237,336 for the financial year ended 31 December 2020, which was mainly due to no revenue generated from the Group's hotel operations as a result of the delay in completion of the construction caused by the COVID-19 pandemic.</p> <p>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 and Hoi An Pearl.</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"> <li>• The completion of the disposal of joint venture classified as held-for-sale (Note 10) and the receipt of remaining cash consideration as at 31 December 2020 pursuant to the disposal of joint venture amounting to approximately \$2,011,000;</li> <li>• The unutilised committed borrowings from shareholders amounting to approximately \$5,280,000;</li> <li>• The unutilised bank borrowing facilities of \$18,919,000 as at 31 December 2020 to finance the construction of the projects in Regis Bay and Hoi An Pearl; and</li> <li>• The written consent from shareholders to defer the payment for outstanding balance of \$719,339 which is due in 2021 for another 12 months.</li> </ul> <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 as well as the impact of COVID-19 on the completion of the projects.</p>	<p>In obtaining sufficient audit evidence, the following procedures were carried out:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2. Challenged the appropriateness of the key assumptions used by the management in the cash flows projection, including timing of cash inflows and cash required for operations;</li> <li>3. Discussed with management on any material judgements and uncertainties identified; and</li> <li>4. Evaluated the adequacy and appropriateness of the disclosures made in Note 2.1 to the financial statements.</li> </ol>



# 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><b>Property, plant and equipment (“PPE”)</b> (refer to Note 2.4, Note 3 and Note 16 to the financial statements)</p> <p><b>(a) Capitalisation of expenses for Vietnam projects</b></p> <p>Included in PPE was construction in progress amounted to \$50,595,874 representing 99% of the total PPE of the Group as at 31 December 2020.</p> <p>On 9 January 2017, the Group signed an agreement with an unrelated property development company, a third party, in Vietnam to set up Regis Bay Vietnam Investment Joint-Stock Company (“<b>Regis Bay</b>”) to invest in real estate projects in Vietnam.</p> <p>On 5 January 2018, the Group signed an agreement with an unrelated property development company, a third party, in Vietnam to operate Hoi An Pearl Joint Stock Company (“<b>HAP</b>”) and to develop a resort on a piece of land in Hoi An, Vietnam.</p> <p>As at end of the financial year, the development of the abovementioned projects are still ongoing. Management has capitalised and recognised project expenses incurred in accordance with SFRS(I) 1-16 Property, Plant and Equipment for Regis Bay and HAP projects.</p> <p>This is assessed as a key audit matter as the capitalisation of projects are the significant activities of the Group during the financial year and represent 73% of the total assets of the Group as at 31 December 2020. In addition, the capitalisation of the project expenses in accordance with SFRS(I) 1-16 Property, Plant and Equipment involves management’s judgement as disclosed in Note 3 to the financial statements.</p>	<p>In obtaining sufficient audit evidence, the following procedures were carried out:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding and evaluated the design and implementation of the relevant controls surrounding the accounting treatment of the capitalisation of project expenses;</li> <li>2. Reviewed the reasonableness, the basis and assumptions used in management’s assessment on the accounting treatment of the project expenses capitalised during the financial year;</li> <li>3. Performed substantive testing on the project expenses capitalised as PPE on sampling basis;</li> </ol>

# 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><b>Property, plant and equipment (“PPE”)</b> (continued) (refer to Note 2.4, Note 3 and Note 16 to the financial statements)</p> <p><b>(b) Impairment of PPE</b></p> <p>In accordance with SFRS(I) 1-36 Impairment of assets, management assessed that there is objective evidence and indication that PPE of the Group may be impaired due to the potential adverse effect on market value as a result of the on-going COVID-19 situation and carried out an impairment exercise during the financial year. For the purpose of performing impairment assessment, management has engaged an independent property valuer to assist the Group in determining the recoverable amount of the PPE. Based on the impairment exercise, no impairment is required to be recognised during the financial year ended 31 December 2020 as the recoverable amount is higher than the carrying amount of the PPE.</p> <p>We focus on this area as the assessment made by the Group involved the use of judgement over the indication of impairment indicators and significant estimate and judgement 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 applied to these future discounted cash flows. In addition, there was an increase in uncertainty in deriving the key assumptions used due to the impact of the Covid-19 pandemic.</p>	<p>In obtaining sufficient audit evidence, the following procedures were carried out: (continued)</p> <ol style="list-style-type: none"> <li>4. Reviewed management’s assessment of impairment indication for PPE by assessing the appropriateness of the assumption or justifications used and rationale applied by the management;</li> <li>5. Obtained the independent valuation report from management;</li> <li>6. Evaluated the competencies, capabilities and objectivity of the management expert and the reasonableness of the assumption used by the expert to determine the recoverable amount of the PPE;</li> <li>7. 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</li> <li>8. Reviewed the adequacy and appropriateness of the disclosure in the financial statements.</li> </ol>



# 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 include in the annual report, but does not included 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 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.

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.



# 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)*

- 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 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.

## 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 Ms Chan Siew Ting.

**Nexia TS Public Accounting Corporation**  
**Public Accountants and Chartered Accountants**

**Singapore**  
**15 April 2021**



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income			
- Interest	6	530,745	790,651
- Others	6	123,612	111,702
Other gains/(losses) - net			
- Impairment loss on other receivables	7	-	(116,686)
- Others	7	(107,707)	(229,775)
Expenses			
- Administrative	4	(1,476,999)	(1,676,070)
- Finance	8	(1,406)	(2,199)
Loss before income tax		(931,755)	(1,122,377)
Income tax credit	9(a)	295,049	286,559
<b>Net loss for the financial year</b>		<b>(636,706)</b>	<b>(835,818)</b>
<b>Other comprehensive loss, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – gain/(losses)		17,663	(52,150)
Reclassification on disposal of subsidiary corporations	12	6,324	-
	23(b)	23,987	(52,150)
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – losses	23(b)	(146,968)	(141,765)
<b>Total comprehensive loss</b>		<b>(759,687)</b>	<b>(1,029,733)</b>
<b>Net (loss)/profit attributable to:</b>			
Equity holders of the Company		(900,679)	(863,029)
Non-controlling interests		263,973	27,211
		<b>(636,706)</b>	<b>(835,818)</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Equity holders of the Company		(876,692)	(915,179)
Non-controlling interests		117,005	(114,554)
		<b>(759,687)</b>	<b>(1,029,733)</b>
<b>Loss per share attributable to equity holders of the Company (cents per share)</b>			
- basic and diluted (cents)	11	(0.05)	(0.04)

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

# BALANCE SHEETS

As at 31 December 2020

	Note	Group		Company	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	12	3,042,591	2,845,778	263,781	137,484
Other receivables	13	9,591,898	8,575,451	17,971,922	19,612,163
		12,634,489	11,421,229	18,235,703	19,749,647
Asset classified as held for sale	10	1,695,053	3,037,483	–	–
<b>Total current assets</b>		<b>14,329,542</b>	<b>14,458,712</b>	<b>18,235,703</b>	<b>19,749,647</b>
<b>Non-current assets</b>					
Other receivables	13	1,918,912	6,705,193	–	–
Investments in subsidiary corporations	15	–	–	751	752
Property, plant and equipment	16	50,640,329	32,874,288	17,157	24,607
Right-of-use assets	17	1,724,224	1,748,982	42,910	20,939
Deferred tax assets	21	765,071	467,739	–	–
		55,048,536	41,796,202	60,818	46,298
<b>Total assets</b>		<b>69,378,078</b>	<b>56,254,914</b>	<b>18,296,521</b>	<b>19,795,945</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Other payables	18	10,346,670	11,320,920	3,922,350	3,952,286
Lease liabilities	19	22,993	19,477	22,993	19,477
Bank borrowings	20	950,052	–	–	–
<b>Total current liabilities</b>		<b>11,319,715</b>	<b>11,340,397</b>	<b>3,945,343</b>	<b>3,971,763</b>
<b>Non-current liabilities</b>					
Other payables	18	15,442	15,018	–	–
Lease liabilities	19	20,103	–	20,103	–
Bank borrowings	20	32,113,603	18,230,597	–	–
<b>Total non-current liabilities</b>		<b>32,149,148</b>	<b>18,245,615</b>	<b>20,103</b>	<b>–</b>
<b>Total liabilities</b>		<b>43,468,863</b>	<b>29,586,012</b>	<b>3,965,446</b>	<b>3,971,763</b>
<b>Net assets</b>		<b>25,909,215</b>	<b>26,668,902</b>	<b>14,331,075</b>	<b>15,824,182</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	22	52,411,370	52,411,370	52,411,370	52,411,370
Statutory reserve	23	–	119,135	–	–
Translation reserve	23	(631,311)	(655,298)	–	–
Accumulated losses		(34,553,872)	(33,772,328)	(38,080,295)	(36,587,188)
		17,226,187	18,102,879	14,331,075	15,824,182
Other reserves	23	(3,376,847)	(3,376,847)	–	–
<b>Non-controlling interests</b>	15	<b>12,059,875</b>	<b>11,942,870</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>		<b>25,909,215</b>	<b>26,668,902</b>	<b>14,331,075</b>	<b>15,824,182</b>

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

Group	Attributable to equity holders of the Company						Non-controlling interests	Total
	Share capital	Statutory reserve	Translation reserve	Accumulated losses	Other reserves	Total		
Note	\$	\$	\$	\$	\$	\$	\$	
<b>2020</b>								
<b>Balance as at 1 January 2020</b>	52,411,370	119,135	(655,298)	(33,772,328)	(3,376,847)	11,942,870	26,668,902	
Net (loss)/profit for the financial year	-	-	-	(900,679)	-	263,973	(636,706)	
Other comprehensive income/(loss) for the financial year	-	-	23,987	-	-	(146,968)	(122,981)	
Reclassification pursuant to disposal of subsidiary corporations	-	(119,135)	-	119,135	-	-	-	
<b>Balance as at 31 December 2020</b>	<b>52,411,370</b>	<b>-</b>	<b>(631,311)</b>	<b>(34,553,872)</b>	<b>(3,376,847)</b>	<b>12,059,875</b>	<b>25,909,215</b>	
<b>2019</b>								
<b>Balance as at 1 January 2019</b>	52,411,370	119,135	(603,148)	(32,909,299)	(3,376,847)	10,435,318	26,076,529	
Net (loss)/profit for the financial year	-	-	-	(863,029)	-	27,211	(835,818)	
Other comprehensive loss for the financial year	-	-	(52,150)	-	-	(141,765)	(193,915)	
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	
- Increase in share capital of subsidiary corporation by non-controlling interest	-	-	-	-	-	1,622,106	1,622,106	
<b>Balance as at 31 December 2019</b>	<b>52,411,370</b>	<b>119,135</b>	<b>(655,298)</b>	<b>(33,772,328)</b>	<b>(3,376,847)</b>	<b>11,942,870</b>	<b>26,668,902</b>	

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Loss before income tax		(931,755)	(1,122,377)
<i>Adjustments for:</i>			
- Impairment loss on other receivables	7	-	116,686
- Depreciation of property, plant and equipment	4	22,558	29,023
- Depreciation of right-of-use assets	4	78,716	75,654
- Property, plant and equipment written off	4	38,426	7,813
- Gain on disposal of subsidiary corporations	7	(25,992)	-
- Interest expense	8	1,406	2,199
- Interest income	6	(530,745)	(790,651)
- Foreign exchange gain, net		1,840,714	32,058
		493,328	(1,649,595)
Change in working capital, net of effects from disposal of subsidiary corporations			
- Other receivables		(1,903,174)	(606,132)
- Other payables		174,793	1,193,866
Cash used in operations		(1,235,053)	(1,061,861)
Income tax paid	9(b)	(2,283)	(7,559)
<b>Net cash used in operating activities</b>		(1,237,336)	(1,069,420)
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(10,565,113)	(8,242,658)
Proceed from divestment in joint venture		1,342,430	-
Disposal of subsidiary corporations, net of cash disposed of	12	(106)	-
Prepayment for property, plant and equipment		(1,918,912)	(6,705,193)
Interest paid		(1,633,148)	(433,837)
Interest received		18,187	7,369
<b>Net cash used in investing activities</b>		(12,756,662)	(15,374,319)
<b>Cash flows from financing activities</b>			
Repayment of loan from a director		-	(500,000)
Loan from a shareholder		219,339	500,000
Repayment of loan from related party		-	(1,676,940)
Proceeds from bank borrowings		18,275,166	18,230,597
Repayment of bank borrowings		(4,237,164)	-
Repayment of lease liabilities		(24,600)	(24,601)
Contributions from non-controlling shareholders for increase in share capital of subsidiary corporations		-	1,622,106
Pledged deposit with financial institution		-	(1,535,808)
<b>Net cash generated from financing activities</b>		14,232,741	16,615,354
<b>Net increase in cash and cash equivalents</b>		238,743	171,615
<b>Cash and cash equivalents</b>			
Beginning of financial year		1,309,970	999,790
Effects of currency translation on cash and cash equivalents		(13,316)	138,565
<b>End of financial year</b>	12	1,535,397	1,309,970

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

## Reconciliation of liabilities arising from financing activities

	1 January 2020	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 December 2020
				Interest expense	Foreign exchange movement	Addition – new lease	
	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	18,230,597	18,275,166	(5,870,312)	1,633,148	795,056	–	33,063,655
Lease liabilities	19,477	–	(24,600)	1,406	–	46,813	43,096
Loan from shareholders	500,000	219,339	–	–	–	–	719,339

	1 January 2019	Proceeds from/ (repayment of) borrowings	Principal and interest payments	Non-cash changes			31 December 2019
				Adoption of SFRS(I) 16	Interest expense		
	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	–	18,230,597	(433,837)	–	433,837	–	18,230,597
Lease liabilities	–	–	(24,601)	41,879	2,199	–	19,477
Loan from Director	500,000	(500,000)	–	–	–	–	–
Loan from a shareholder	–	500,000	–	–	–	–	500,000

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

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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 15 to the financial statements.

### Coronavirus (COVID-19) Impact

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, all of which have been affected by the spread of COVID-19 in 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 2020.

- 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.
- ii. In 2020, 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 had 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 2020. The significant estimates and judgements applied are disclosed in Note 3.

As the global COVID-19 situation remains very fluid as at the date of issuance of these financial statements, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021.

## 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)**”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) 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.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### Interpretations and amendments to published standards effective in 2020

On 1 January 2020, 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 \$636,706 and net cash used in operating activities of \$1,237,336 for the financial year ended 31 December 2020, which was mainly due to no revenue generated from the Group’s hotel operations as a result of the delay in completion of 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 and the Company 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 and the Company’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 financial statements:

- The completion of the disposal of joint venture classified as held-for-sale (Note 10) and the receipt of cash consideration pursuant to the disposal of joint venture amounting to approximately \$2,011,000;
- The unutilised committed borrowings from shareholders amounting to approximately \$5,280,000;
- The unutilised bank borrowing facilities of \$18,919,624 as at 31 December 2020 to finance the construction of the projects in Regis Bay and Hoi An Pearl; and
- The written consent from shareholders to defer the payment for outstanding balance of \$719,339 which is due in 2021 for another 12 months.

In carrying out the going concern assessment, significant judgements are involved in estimating the remaining cash commitment of the projects and other operating expenses as well as the impact of COVID-19 on the completion of 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 and the Company so as to continue in operational existence for at least 12 months from the date of financial statements.

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.

No adjustments have been made in the accompanying financial statements in respect of these.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.2 Government grants

Government grants 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 in 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 right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions and 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 entity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, 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 interest having a deficit balance.

##### (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.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.3 Group accounting (continued)

#### (a) *Subsidiary corporations* (continued)

##### (iii) Disposals

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 Standard.

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 and joint ventures" 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.

### 2.4 Property, plant and equipment

#### (a) *Measurement*

##### (i) *Land and building*

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) *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. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

##### (iii) *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.

##### (iv) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price 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.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.4 Property, plant and equipment (continued)

#### (b) Depreciation

Freehold land is not depreciated. 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, on the same basis as other property assets, commences 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 gains/(losses) - net”.

### 2.5 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.

### 2.6 Investments in subsidiary corporations

Investments in subsidiary corporations are stated 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.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.7 Impairment of non-financial assets

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

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 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 cash-generating units (“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, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. 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 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.

### 2.8 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.8 Financial assets (continued)

#### (b) Impairment

The Group assesses on a forward-looking basis the Expected Credit Losses (“**ECL**”) 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 26(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.

### 2.9 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.

### 2.10 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.

### 2.11 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.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.12 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 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.

### 2.13 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>
Leasehold land	31.5 years
Office premise	2 years

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit 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 liability is measured at amortised cost using the effective interest method. Lease liability 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 liability is 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.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.13 Leases (continued)

- 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.

### 2.14 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.

Deferred income tax is measured:

- 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 at the balance sheet date; and
- 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 and 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 innovative credit) similar to accounting for other tax credits where 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 credit can be utilised.

### 2.15 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 economic resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.16 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 on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### (b) *Termination benefits*

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

#### (c) *Employee leave entitlement*

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

### 2.17 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, 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 that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in income statement 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.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.17 Currency translation (continued)

#### (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.

### 2.18 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.

### 2.19 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.

### 2.20 Share capital

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

### 2.21 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary corporation acquired exclusively with a view to resale.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 Significant accounting policies (continued)

### 2.22 Statutory reserve

In accordance with People's Republic of China ("PRC") regulations, the PRC subsidiary corporation within the Group is required to transfer a certain percentage of the profit after tax, if any, to the statutory reserve. However, subject to certain restrictions set out in the relevant PRC regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the said subsidiary corporation.

### 2.23 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**") and Hoi An Pearl Joint Stock Company ("**HAP**")

Note 15 to the financial statements describes that Regis Bay and HAP are subsidiary corporations of the Group since 2018 even though the Group has no equity interests in these entities. Management has assessed whether or not the Group has control over these entities based on whether the Group has the practical ability to direct the relevant activities of these entities 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 15 to the financial statements, management is of the view that it has control over these entities. Accordingly, the results of these entities have been consolidated in the Group's financial statements.

- (b) Capitalisation of project costs

Since 2018, there is no revenue generated as construction for the various projects is still ongoing. As described in Note 2.4 to the financial statements, it is the Group's policy to capitalise expenses directly attributable to the construction of the Group's hotel and resort properties in Vietnam. Management has assessed and capitalised the appropriate expenses incurred for the projects (Note 16 to the financial statements) in accordance with SFRS(I) 1-16 Property, plant and equipment.

- (c) Impairment of property, plant and equipment ("**PPE**")

PPE is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The Group assesses whether PPE 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 during the financial year. The determination of the recoverable amount of the PPE 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. There was an increase in level of estimation uncertainty in deriving the key assumptions used due to the impact of COVID-19 pandemic.

Based on the impairment exercise, no impairment is required to be recognised during the financial year ended 31 December 2020 as the recoverable amount is higher than the carrying amount of the PPE. The carrying amounts of PPE of the Group at the balance sheet date are disclosed in Note 16 to the financial statements.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 3 Critical accounting estimates, assumptions and judgements (continued)

### Critical accounting estimates and assumptions (continued)

- (d) 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 expectations 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 have been disclosed in Note 13 to the financial statements.

## 4 Expenses by nature

	Group	
	2020	2019
	\$	\$
Audit fees:		
- paid to auditors of the Company	99,500	136,000
- paid to other auditors*	40,089	62,500
Depreciation of property, plant and equipment (Note 16)	22,558	29,023
Depreciation of right-of-use assets (Note 17)	78,716	75,654
Directors’ fees of the Company	110,864	121,274
Directors’ remuneration of the Company	234,054	257,855
Employee compensation (Note 5)	439,928	586,665
Professional fees	189,641	215,215
Property, plant and equipment written-off (Note 16)	38,426	7,813
Rental expense (Note 17(c))	34,679	16,842
Others	188,544	167,229
	1,476,999	1,676,070

\* Includes the network of member firms of Nexia International for the financial year ended 31 December 2020.

## 5 Employee compensation

	Group	
	2020	2019
	\$	\$
Salaries and bonuses	387,352	536,006
Employer’s contribution to defined contributions plans including Central Provident Fund	52,576	50,659
	439,928	586,665



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 6 Other income

	Group	
	2020	2019
	\$	\$
Interest income		
- Bank deposits	18,187	7,369
- Loan to non-controlling interest shareholder	512,558	783,282
	<u>530,745</u>	<u>790,651</u>
Government grant income		
- Jobs Support Scheme	93,364	-
- Others	11,626	3,800
Deposit forfeited	-	75,254
Others	18,622	32,648
	<u>123,612</u>	<u>111,702</u>
	<u>654,357</u>	<u>902,353</u>

Grant income of \$93,364 (2019: Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

## 7 Other gains/(losses) - net

	Group	
	2020	2019
	\$	\$
Impairment loss on other receivables	-	(116,686)
Gain on disposal of subsidiary corporations (Note 12)	25,992	-
Foreign exchange loss - net	(133,699)	(229,775)
	<u>(107,707)</u>	<u>(229,775)</u>
	<u>(107,707)</u>	<u>(346,461)</u>

## 8 Finance expense

	Group	
	2020	2019
	\$	\$
Interest expense for lease liabilities (Note 17(b))	1,406	2,199

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 9 Income taxes

### (a) Income tax credit

	Group	
	2020	2019
	\$	\$
Tax expense/(credit) attributable to the loss is made up of:		
Current income tax		
- under provision prior financial years	2,283	7,559
Deferred income tax (Note 21)	(297,332)	(294,118)
	<u>(295,049)</u>	<u>(286,559)</u>

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

	Group	
	2020	2019
	\$	\$
Loss before income tax	(931,755)	(1,122,377)
Tax calculated using Singapore tax rate of 17% (2019: 17%)	(158,398)	(190,804)
Effects of:		
- different tax rates in other countries	(49,617)	(56,751)
- tax incentives	-	(7,388)
- expenses not deductible for tax purposes	226,768	312,370
- income not subject to tax	(330,470)	(404,384)
- deferred tax assets not recognised	16,956	50,053
- utilisation of previously unrecognised deferred tax benefits	(11,767)	(5,504)
- under-provision of tax in prior financial years	2,283	7,559
- others	9,196	8,290
Tax charge	<u>(295,049)</u>	<u>(286,559)</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 \$1,452,793 (2019: \$4,074,982) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. Certain tax losses have an expiry date of 5 years from the financial year where the tax losses arise from.

### (b) Movement in current tax liabilities

	Group and Company	
	2020	2019
	\$	\$
Beginning of financial year	-	-
Income tax paid	(2,283)	(7,559)
Under provision in prior financial years	2,283	7,559
End of financial year	<u>-</u>	<u>-</u>



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 10 Asset classified as held for sale

On 30 December 2019, the Group entered into a termination agreement with non-controlling interest shareholders to dispose its joint venture, AP NHS Da Nang Joint Stock Company for cash consideration of USD2,448,999 (equivalent to \$3.3 million). Management assessed that the disposal is expected to be completed within twelve months and the conditions precedent to the disposal would have been met when the non-controlling interest shareholder successfully repay the consideration.

Accordingly, the joint venture has been classified as asset held for sale and are presented separately on the balance sheet as at 31 December 2020 and 2019. The consideration for the disposal of joint venture is expected to exceed the net carrying amount of the joint venture and, accordingly, no impairment loss has been recognised prior to the classification of the asset as held for sale.

## 11 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	
	2020	2019
Net loss attributable to equity holders of the Company (\$)	(900,769)	(863,029)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	1,950,619	1,950,619
Basic loss per share (cents per share)	(0.05)	(0.04)

As at 31 December 2020 and 2019, the Group does not have any dilutive potential ordinary shares. Accordingly, the basic and diluted loss per share are the same.

## 12 Cash and bank balances

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash at bank and on hand	1,535,397	1,246,017	263,781	137,484
Fixed deposits	–	63,953	–	–
Pledged deposits	1,507,194	1,535,808	–	–
	<u>3,042,591</u>	<u>2,845,778</u>	<u>263,781</u>	<u>137,484</u>



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 12 Cash and bank balances (continued)

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

	Group	
	2020	2019
	\$	\$
Cash and bank balances (as above)	3,042,591	2,845,778
Less: Pledged deposits	(1,507,194)	(1,535,808)
Cash and cash equivalents in the consolidated statement of cash flows	<u>1,535,397</u>	<u>1,309,970</u>

Fixed deposits bear effective interest rate of nil% (2019: 5%) per annum with maturity date of one month after the balance sheet date. Bank deposits are pledged in relation to the security granted for certain borrowings (Note 20).

### Disposal of subsidiary corporations

On 16 November 2020, the Group disposed of its wholly-owned subsidiary corporations, Adventus Alliances & Solutions Pte. Ltd. and its subsidiary corporation ("**AAS Group**"), which was dormant and previously had been aggregated within the "others" business segment.

The carrying amounts of assets and liabilities as at date of disposal are as follows:

	Group \$ <u>16 November 2020</u>
<b>Assets:</b>	
Cash and bank balances, representing total assets of AAS group	<u>15,106</u>
<b>Liabilities:</b>	
Other payables, representing total liabilities of AAS group	<u>(32,422)</u>
Net liabilities disposed of	(17,316)
Realisation of currency translation reserve	6,324
Total liabilities	<u>(10,992)</u>
Gain on disposal (Note 7)	25,992
Cash proceeds from disposal	15,000
Less: Cash and bank balances in subsidiary corporations disposed of	<u>(15,106)</u>
Net cash outflow on disposal of subsidiary corporations	<u>(106)</u>



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 13 Other receivables

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Current</b>				
Other receivables				
- subsidiary corporations <sup>(1)</sup>	-	-	18,261,781	19,946,518
Less: loss allowance (Note 26(b))	-	-	(316,180)	(352,037)
	-	-	17,945,601	19,594,481
- subsidiary corporation's director <sup>(2)</sup>	2,717,232	250,002	-	-
- non-related parties	422,492	891,328	116,686	116,686
Less: loss allowance (Note 26(b))	(116,686)	(116,686)	(116,686)	(116,686)
	305,806	774,642	-	-
Loan receivables from non-controlling interest shareholder <sup>(3)(4)</sup>	6,540,009	7,498,235	-	-
Prepayments	24,751	21,816	22,221	13,582
Deposits	4,100	30,756	4,100	4,100
	9,591,898	8,575,451	17,971,922	19,612,163
<b>Non-current</b>				
Advances to contractors	1,918,912	6,705,193	-	-
Total other receivables	11,510,810	15,280,644	17,971,922	19,612,163

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

(2) The other receivables from a subsidiary corporation's director is unsecured, bears interest rate at 3% per annum and repayable by 26 March 2021. During the financial year ended 31 December 2020, the interest on loan to a subsidiary corporation's director has been waived off.

(3) 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. The parties are currently in discussion to extend the term of the loan.
- 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% (2019: 13%) per annum to the non-controlling interest shareholder.

As at 31 December 2020, the loan receivables from non-controlling interest shareholder in relation to the investment in HAP is \$4,530,452 (2019: \$4,189,667).

(4) In 2018, one of the Group's wholly-owned subsidiary corporation, ADV S3 Pte. Ltd. ("**ADV S3**"), invested in AP NHS Da Nang Joint Stock Company ("**AP NHS**") in the form of a loan with one of the non-controlling interest shareholders. The purpose of AP NHS is to hold and develop project land into a residential apartment project. A loan agreement was signed on 9 April 2018.

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

- The loan amount shall be VND50.715 billion (approximately \$3.0 million at transaction date).
- The term of the loan shall be 360 days from the disbursement date (28 March 2018), and extension subject to ADV S3.
- Upon default, ADV S3 has the right to terminate the loan agreement and recall the loan with 30 days notice at a default interest rate of 10% per annum.

On 30 December 2019, the Group has signed a termination agreement with the non-controlling interest shareholders (Note 10). Pursuant to the termination, the loan will be repaid by the non-controlling interest shareholder by April 2020. During the financial year, the repayment of loan has been extended to January 2021.

As at 31 December 2020, the loan receivables from non-controlling interest shareholder in relation to the investment in AP NHS is \$2,009,557 (2019: \$3,308,568).

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 14 Investment in a joint venture

	Group	
	2020	2019
	\$	\$
Cost of investment in joint venture	–	3,037,483
Reclassified as asset held for sale (Note 10)	–	(3,037,483)
	–	–

## 15 Investments in subsidiary corporations

	Company	
	2020	2019
	\$	\$
Beginning of financial year	752	752
Disposal	(1)	–
End of financial year	751	752

On 31 August 2020, the Company entered into a sale and purchase agreement with a non-related party to dispose 100% of its interest in the share capital of its wholly-owned subsidiary corporation, Adventus Alliances & Solutions Pte. Ltd. and its subsidiary corporation. The disposal was completed on 16 November 2020 (Note 12).

The Group has the following subsidiary corporations as at 31 December 2020 and 2019:

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2020	2019
			%	%
<u>Held by the Company</u>				
Adventus Investments (Vietnam) Pte. Ltd. <sup>(1)</sup>	Residential property development	Singapore	100	100
Crimson Star Development Pte. Ltd. <sup>(1)</sup>	Dormant	Singapore	65	65
Northern Cardinal Commodities Pte. Ltd. (formerly known as Adventus Resources Pte. Ltd.) <sup>(1)</sup>	Dormant	Singapore	100	100
Adventus Alliances & Solutions Pte. Ltd. <sup>(5)</sup>	Dormant	Singapore	–	100



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 15 Investments in subsidiary corporations (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group %	
			2020	2019
<u>Held by Adventus Investments (Vietnam) Pte. Ltd.</u>				
ADV S1 Pte. Ltd. <sup>(1)</sup>	Investment holding and property development	Singapore	100	100
ADV S2 Pte. Ltd. <sup>(1)</sup>	Investment holding and property development	Singapore	100	100
ADV S3 Pte. Ltd. <sup>(1)</sup>	Investment holding and property development	Singapore	100	100
ADV Management Services Company Limited <sup>(2)</sup>	Management consulting services	Vietnam	100	100
<u>Held by ADV S1 Pte. Ltd.</u>				
ADV V1 Holding Company Limited <sup>(2)</sup>	Investment holding and property development	Vietnam	100	100
<u>Held by ADV V1 Holding Company Limited</u>				
Regis Bay Vietnam Investment Joint Stock Company <sup>(2)(3)</sup>	Hotel development	Vietnam	–	–
<u>Held by ADV S2 Pte. Ltd.</u>				
Hoi An Pearl Joint Stock Company <sup>(2)(4)</sup>	Resort development	Vietnam	–	–
<u>Held by ADV Management Services Company Limited</u>				
AP Land Company Limited <sup>(2)</sup>	Construction management services	Vietnam	51	51
<u>Held by Adventus Alliances &amp; Solutions Pte. Ltd.</u>				
Gennex Solutions (Shanghai) Co., Ltd. <sup>(5)</sup>	Dormant	China	–	100

<sup>(1)</sup> Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International

<sup>(2)</sup> Audited by Nexia STT Co., Ltd, Vietnam, a member firm of Nexia International

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 15 Investments in subsidiary corporations (continued)

<sup>(3)</sup> The Group does not own equity interest in this subsidiary corporation but management assessed that it has control over the subsidiary corporation.

On 9 January 2017, the Group signed a joint venture agreement with Panthera Company Limited ("**Panthera**"), 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 amount as 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 entity 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 has been consolidated in the Group's financial statements since financial year ended 31 December 2017.

<sup>(4)</sup> The Group does not own equity interest in this subsidiary corporation but management assessed that it has control over the subsidiary corporation. ADV S2 invests in HAP in the form of a loan with Panthera. 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, an amount due to non-controlling interest shareholder of \$3,327,764 (2019: \$3,327,764) has been accrued and a corresponding obligation to non-controlling interest shareholder has been set aside as "other reserves" (Note 23). 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 has been consolidated in the Group's financial statements since financial year ended 31 December 2018.

<sup>(5)</sup> The subsidiary corporation has been disposed of on 16 November 2020 and ceased to be the subsidiary corporation of the Group.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 15 Investments in subsidiary corporations (continued)

As at 31 December 2020, 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 2021.	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 2021.	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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 15 Investments in subsidiary corporations (continued)

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

Name of subsidiary	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		Accumulated non-controlling interests	
		2020 %	2019 %	2020 \$	2019 \$	2020 \$	2019 \$
Crimson Star Development Pte. Ltd.	Singapore	35	35	8,638	4,525	640,845	631,062
Regis Bay Vietnam Investment Joint Stock Company	Vietnam	100	100	357,906	164,745	2,848,632	2,522,546
Hoi An Pearl Joint Stock Company	Vietnam	100	100	(102,569)	(140,798)	8,450,907	8,653,342
AP Land Company Limited	Vietnam	49	49	(2)	(1,261)	119,491	135,920
				263,973	27,211	12,059,875	11,942,870



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 15 Investments in subsidiary corporations (continued)

### 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	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
<b>Current</b>						
Assets	1,859,787	1,821,413	1,580,784	2,673,797	974,483	568,949
Liabilities	(28,802)	(18,379)	(12,606,996)	(11,392,575)	(483,296)	(520,170)
Total current net assets	1,830,985	1,803,034	(11,026,212)	(8,718,778)	491,187	48,779
<b>Non-current</b>						
Assets	–	–	35,888,859	29,925,728	21,359,148	12,906,095
Liabilities	–	–	(22,014,015)	(18,684,404)	(13,399,428)	(4,301,532)
Total non-current net assets	–	–	13,874,844	11,241,324	7,959,720	8,604,563
Net assets	1,830,985	1,803,034	2,848,632	2,522,546	8,450,907	8,653,342

#### Summarised statement of comprehensive income

Group	Crimson Star Development Pte. Ltd.		Regis Bay Vietnam Investment Joint Stock Company		Hoi An Pearl Joint Stock Company	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Other income	35,140	23,715	369,436	–	2,467	90
Expenses	(10,461)	(10,787)	(284,460)	164,745	(296,672)	(140,888)
Profit/(loss) for the financial year	24,679	12,928	84,976	164,745	(294,205)	(140,798)
Other comprehensive loss	(35,300)	(24,036)	(32,726)	(9,777)	(99,866)	(122,109)
Total comprehensive (loss)/income	(10,621)	(11,108)	52,250	154,968	(394,071)	(262,907)
Total comprehensive (loss)/income attributable to non-controlling interests	(3,717)	(3,888)	52,250	154,968	(394,071)	(262,907)

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 15 Investments in subsidiary corporations (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	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Net cash (used in)/ generated from operating activities	(20,188)	152	1,328,219	(1,042,668)	2,710,719	733,947
Net cash used in investing activities	–	(20,470)	(8,148,353)	(9,184,121)	(11,030,934)	(5,709,736)
Net cash generated from financing activities	–	–	6,008,783	12,511,184	9,301,449	4,693,484



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 16 Property, plant and equipment

	Furniture and fittings	Office equipment	Renovation	Construction in progress	Total
	\$	\$	\$	\$	\$
<b>Group</b>					
<b>2020</b>					
<i>Cost</i>					
Beginning of financial year	1,488	106,941	18,680	32,814,355	32,941,464
Additions	–	7,350	–	18,896,104	18,903,454
Written-off	–	–	–	(38,426)	(38,426)
Currency translation differences	–	(739)	–	(1,076,159)	(1,076,898)
End of financial year	1,488	113,552	18,680	50,595,874	50,729,594
<i>Accumulated depreciation</i>					
Beginning of financial year	1,488	47,008	18,680	–	67,176
Depreciation charge (Note 4)	–	22,558	–	–	22,558
Currency translation differences	–	(469)	–	–	(469)
End of financial year	1,488	69,097	18,680	–	89,265
<b>Net book value</b>					
<b>End of financial year</b>	–	44,455	–	50,595,874	50,640,329
<b>2019</b>					
<i>Cost</i>					
Beginning of financial year	1,488	57,577	18,680	18,735,437	18,813,182
Additions	–	49,821	–	14,452,047	14,501,868
Written-off	–	–	–	(7,813)	(7,813)
Currency translation differences	–	(457)	–	(365,316)	(365,773)
End of financial year	1,488	106,941	18,680	32,814,355	32,941,464
<i>Accumulated depreciation</i>					
Beginning of financial year	1,488	18,115	18,680	–	38,283
Depreciation charge (Note 4)	–	29,023	–	–	29,023
Currency translation differences	–	(130)	–	–	(130)
End of financial year	1,488	47,008	18,680	–	67,176
<b>Net book value</b>					
<b>End of financial year</b>	–	59,933	–	32,814,355	32,874,288

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 16 Property, plant and equipment (continued)

	Furniture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$
<b>Company</b>				
<b>2020</b>				
<i>Cost</i>				
Beginning of financial year	1,488	57,577	18,680	77,745
Additions	–	7,350	–	7,350
End of financial year	1,488	64,927	18,680	85,095
<i>Accumulated depreciation</i>				
Beginning of financial year	1,488	32,970	18,680	53,138
Depreciation charge	–	14,800	–	14,800
End of financial year	1,488	47,770	18,680	67,938
<b>Net book value</b>				
<b>End of financial year</b>	–	17,157	–	17,157
<b>2019</b>				
<i>Cost</i>				
Beginning and end of financial year	1,488	57,577	18,680	77,745
<i>Accumulated depreciation</i>				
Beginning of financial year	1,488	18,116	18,680	38,284
Depreciation charge	–	14,854	–	14,854
End of financial year	1,488	32,970	18,680	53,138
<b>Net book value</b>				
<b>End of financial year</b>	–	24,607	–	24,607

Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of \$50,595,874 (2019: \$32,814,355) (Note 20).

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

	Group	
	2020	2019
	\$	\$
Beginning of financial year	435,530	1,693
Additions	1,633,148	433,837
Currency translation differences	(52,186)	–
End of financial year	2,016,492	435,530



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17 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 20) of the Group.

(a) Carrying amounts

	<b>Prepaid leases</b>	<b>Office premise</b>	<b>Total</b>
	\$	\$	\$
<b>Group</b>			
<b>2020</b>			
<i>Cost</i>			
Beginning of financial year	1,782,757	41,879	1,824,636
Additions	–	46,812	46,812
Currency translation differences	3,720	–	3,720
End of financial year	<u>1,786,477</u>	<u>88,691</u>	<u>1,875,168</u>
<i>Accumulated depreciation</i>			
Beginning of financial year	54,714	20,940	75,654
Depreciation charge (Note 4)	53,875	24,841	78,716
Currency translation differences	(3,426)	–	(3,426)
End of financial year	<u>105,163</u>	<u>45,781</u>	<u>150,944</u>
<b>Net book value</b>			
<b>End of financial year</b>	<u>1,681,314</u>	<u>42,910</u>	<u>1,724,224</u>
<b>2019</b>			
<i>Cost</i>			
Beginning of financial year	–	–	–
Additions	1,782,757	41,879	1,824,636
End of financial year	<u>1,782,757</u>	<u>41,879</u>	<u>1,824,636</u>
<i>Accumulated depreciation</i>			
Beginning of financial year	–	–	–
Depreciation charge (Note 4)	54,714	20,940	75,654
End of financial year	<u>54,714</u>	<u>20,940</u>	<u>75,654</u>
<b>Net book value</b>			
<b>End of financial year</b>	<u>1,728,043</u>	<u>20,939</u>	<u>1,748,982</u>



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17 Right-of-use assets (continued)

(a) Carrying amounts (continued)

	<u>Office premise</u>
	\$
<b>Company</b>	
<b>2020</b>	
<i>Cost</i>	
Beginning of financial year	41,879
Additions	46,812
End of financial year	<u>88,691</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	20,940
Depreciation charge	24,841
End of financial year	<u>45,781</u>
<b>Net book value</b>	
<b>End of financial year</b>	<u>42,910</u>
<b>2019</b>	
<i>Cost</i>	
Beginning of financial year	–
Additions	41,879
End of financial year	<u>41,879</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	–
Depreciation charge	20,940
End of financial year	<u>20,940</u>
<b>Net book value</b>	
<b>End of financial year</b>	<u>20,939</u>

(b) Interest expense

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
Interest expense on lease liabilities (Note 8)	1,406	2,199

(c) Lease expense not capitalised in lease liabilities

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
Lease expense – short-term leases (Note 4)	34,679	16,842

(d) Total cash outflow for all the leases was \$59,279 (2019: \$41,443).

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 18 Other payables

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Current</b>				
Other payables to:				
- non-related parties	1,622,268	1,331,010	-	-
- subsidiary corporations	-	-	2,008,876	2,132,065
- non-controlling interest shareholder	4,912,139	6,335,553	-	-
Loan from shareholders	719,339	500,000	719,339	500,000
Loan from non-controlling interest shareholder	77,182	78,354	-	-
Interest payable to non-controlling interest shareholder	55,846	42,350	-	-
Accruals	2,959,896	3,033,653	1,194,135	1,320,221
	<u>10,346,670</u>	<u>11,320,920</u>	<u>3,922,350</u>	<u>3,952,286</u>
<b>Non-current</b>				
Other payables to:				
- non-related parties	2,270	1,646	-	-
Loan from non-controlling interest shareholder	13,172	13,372	-	-
	<u>15,442</u>	<u>15,018</u>	<u>-</u>	<u>-</u>
Total other payables	<u>10,362,112</u>	<u>11,335,938</u>	<u>3,922,350</u>	<u>3,952,286</u>

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

During the financial year, a loan from shareholders amounting to \$219,399 was obtained and the loan is interest free and unsecured. The repayment of loan is due in April 2021 and has been extended to April 2022 subsequent to the financial year end.

In 2019, a loan from a shareholder amounting to \$500,000 was obtained and the loan is interest free and unsecured. The repayment of loan is due in November 2021 and has been extended to November 2022 subsequent to the financial year end.

Other payables to non-controlling interest shareholder relates to investment in one of the subsidiary corporation amounting to \$3,273,029 (2019: \$3,327,764) (Note 15) and investment in joint venture classified as asset held for sale of \$1,639,110 (2019: \$3,007,789) (Note 10) which remains unpaid as at the balance sheet date.

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. 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.

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

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 19 Lease liabilities

	Group and Company	
	2020	2019
	\$	\$
Maturity analysis:		
Year 1	24,600	20,499
Less: Unearned interest	(1,607)	(1,022)
	<u>22,993</u>	<u>19,477</u>
Maturity analysis:		
Year 2	20,500	–
Less: Unearned interest	(397)	–
	<u>20,103</u>	<u>–</u>

## 20 Bank borrowings

	Group	
	2020	2019
	\$	\$
<b>Current</b>		
Bank borrowings	950,052	–
<b>Non-current</b>		
Bank borrowings	32,113,603	18,230,597
Total borrowings	<u>33,063,655</u>	<u>18,230,597</u>

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	
	2020	2019
	\$	\$
6 months or less	33,063,655	18,230,597
6 – 12 months	–	–
1 – 5 years	–	–
	<u>33,063,655</u>	<u>18,230,597</u>



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 20 Bank borrowings (continued)

### (a) Security granted

The Group has two 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 17). 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 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 SGD20,590,000) to VND380,000,000,000 (equivalent to SGD22,000,000) for the purpose of HAP project in Vietnam.

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

A loan of \$13,399,428 as at 31 December 2020 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 17).

- ii. A loan of \$19,664,227 as at 31 December 2020 (2019: \$13,929,065) which is repayable over 8 instalments after 39 months from the first drawdown date, 21 February 2019. 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 the higher of US LIBOR 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 12); and (iii) the freehold land of the project included in "Construction in progress" (Note 16). The total loan balance is required not to exceed 70% of the value of the mortgaged assets during the tenor of the loan.

As at 31 December 2020, the Group has approximately \$18,919,624 (2019: \$32,960,000) undrawn committed bank facilities available.

### (b) Fair value of non-current borrowings

	Group	
	2020	2019
	\$	\$
Bank borrowings	19,005,026	10,806,000

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	
	2020	2019
	\$	\$
Bank borrowings	5.25 to 11.00	5.25 to 9.00

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

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 21 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	
	2020	2019
	\$	\$
Deferred tax assets	765,071	467,739

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

	Group	
	2020	2019
	\$	\$
Beginning of financial year	467,739	173,621
Credited to		
- profit or loss (Note 9(a))	297,332	294,118
End of financial year	765,071	467,739

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

## 22 Share capital

	Group and Company	
	No. of ordinary shares	Amount
		\$
<b>2020</b>		
Beginning and end of financial year	1,950,619,331	52,411,370
<b>2019</b>		
Beginning and end of financial year	1,950,619,331	52,411,370

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.



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 23 Reserves

(a) *Composition:*

	Group	
	2020	2019
	\$	\$
Currency translation reserve	(631,311)	(655,298)
Statutory reserve	–	119,135
Other reserves	(3,376,847)	(3,376,847)
	<u>(4,008,158)</u>	<u>(3,913,010)</u>

Reserves are non-distributable.

(b) *Movements:*

(i) Currency translation reserve

	Group	
	2020	2019
	\$	\$
Beginning of financial year	(655,298)	(603,148)
Net currency translation differences of financial statements of foreign subsidiary corporations	(122,981)	(193,915)
Less: Non-controlling interests	146,968	141,765
	<u>23,987</u>	<u>(52,150)</u>
End of financial year	<u>(631,311)</u>	<u>(655,298)</u>

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) Statutory reserve

	Group	
	2020	2019
	\$	\$
Beginning of financial year	119,135	119,135
Disposal of subsidiary corporations	(119,135)	–
End of financial year	<u>–</u>	<u>119,135</u>

In accordance with People's Republic of China ("PRC") regulations, the PRC subsidiary corporation within the Group is required to transfer a certain percentage of the profit after tax, if any, to the statutory reserve. However, subject to certain restrictions set out in the relevant PRC, regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the said subsidiary corporation.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 23 Reserves (continued)

- (b) *Movements: (continued)*
- (iii) Other reserves

	Group	
	2020	2019
	\$	\$
Beginning and end of financial year	(3,376,847)	(3,376,847)

This represents the Group's obligation to acquire equity interests in one of its subsidiary corporation (Note 15).

## 24 Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	2020	2019
	\$	\$
Beginning of financial year	36,587,188	34,676,743
Net loss	1,493,107	1,910,445
End of financial year	38,080,295	36,587,188

## 25 Commitments

### *Capital commitments*

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

	Group	
	2020	2019
	\$	\$
Construction of property, plant and equipment	19,349,421	29,810,000



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 26 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	
	2020	2019	2020	2019
<b>Group</b>	\$	\$	\$	\$
United States dollar	47,149,652	48,848,921	(58,740,943)	(47,818,895)
Singapore dollar	1,037,465	1,848,857	(4,458,444)	(18,379)
<b>Company</b>				
United States dollar	17,671,674	19,320,813	(171,893)	(175,156)

#### 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	
	2020	2019	2020	2019
	\$	\$	\$	\$
Impact to profit to loss				
United States dollar	(1,159,129)	103,003	1,749,978	1,914,566
Singapore dollar	(342,098)	(183,048)	–	–

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

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 26 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk

In respect of interest bearing financial assets and financial liabilities, their effective interest rate is disclosed in Notes 12,13,18,19 and 20 respectively.

#### 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 2020 and 2019 would not be materially impacted as the interest on borrowings has been capitalised as property, plant and equipment.

### (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 is exposed to concentration of credit risk as at 31 December 2020 on loan receivables from non-controlling interest shareholder, Panthera, amounting to \$6,540,009 (2019: \$7,498,235), which accounted for 52% (2019: 65%) of the Group's total financial assets.

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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 26 Financial risk management (continued)

### (b) Credit risk (continued)

Other receivables (continued)

The table below details the credit quality of the Group's other 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
			\$	\$	\$
<b>2020</b>					
Other receivables	Performing	12m ECL	9,567,147	–	9,567,147
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>(116,686)</u>	
<b>2019</b>					
Other receivables	Performing	12m ECL	8,553,635	–	8,553,635
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>(116,686)</u>	
Company	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			\$	\$	\$
<b>2020</b>					
Other receivables	Performing	12m ECL	18,265,881	(316,180)	17,949,701
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>432,866</u>	
<b>2019</b>					
Other receivables	Performing	12m ECL	19,950,618	(352,037)	19,598,581
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>468,723</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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 26 Financial risk management (continued)

### (b) Credit risk (continued)

#### Other receivables (continued)

Loss allowance for other receivables has been measured at an amount equal to 12m expected credit losses (ECL). The ECL on other receivables are estimated 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. Management is of the view 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. 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	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Other receivables</b>				
<u>Lifetime ECL (credit impaired)</u>				
Beginning of financial year	116,686	–	468,723	304,180
Loss allowance recognised	–	116,686	1,448	164,617
Written off	–	–	(37,198)	–
Foreign exchange adjustments	–	–	(107)	(74)
End of financial year	<u>116,686</u>	<u>116,686</u>	<u>432,866</u>	<u>468,723</u>

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 assets*

All non-derivative financial assets of the Group and the Company are non-interest bearing and due within one year as disclosed in Notes 12 and 13 to the financial statements respectively.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 26 Financial risk management (continued)

### (c) Liquidity risk (continued)

#### Non-derivative financial liabilities

The following table details the expected maturity for non-derivative liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be earned on these liabilities except where the Group anticipates that the cash flow will occur in a different period. Balances due less than 1 year equal their carrying amounts as the impact of discounting is not significant.

<b>Group</b>	<b>Less than</b>	<b>Between</b>	<b>Over 5</b>
	<b>1 year</b>	<b>1 to 5</b>	<b>years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2020</b>			
<b>Financial liabilities</b>			
Non-interest bearing	10,269,488	2,270	–
Lease liabilities	22,993	20,500	–
Fixed interest rate	77,182	15,148	–
Floating interest rate	950,052	28,984,438	6,854,343
Total	<u>11,319,715</u>	<u>29,022,356</u>	<u>6,854,343</u>
<b>2019</b>			
<b>Financial liabilities</b>			
Non-interest bearing	11,242,566	1,646	–
Lease liabilities	19,477	–	–
Fixed interest rate	78,354	15,378	–
Floating interest rate	–	19,733,968	1,656,503
Total	<u>11,340,397</u>	<u>19,750,992</u>	<u>1,656,503</u>

### (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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 26 Financial risk management (continued)

### (e) Financial instruments by category

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

	Group		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial assets, at amortised cost	12,609,738	11,399,413	18,213,482	19,736,065
Financial liabilities at amortised cost	43,468,863	29,586,012	3,965,446	3,971,763

## 27 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 2020 and 2019.

### (b) Key management personnel compensation

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

	Group	
	2020	2019
	\$	\$
Wages and salaries	538,500	553,219
Employer's contribution to defined contribution plans, including Central Provident Fund	27,300	37,185
	565,800	590,404



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 28 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 Group's chief operating decision maker 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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 28 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	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	–	–	–	–	–	–	–	–
Segment results	(104,396)	(245,040)	(1,433,058)	(1,628,379)	76,360	(30,041)	(1,461,094)	(1,903,460)
Interest income							530,745	783,282
Finance expense							(1,406)	(2,199)
<b>Loss before income tax</b>							<b>(931,755)</b>	<b>(1,122,377)</b>
Income tax credit							295,049	286,559
<b>Net loss for the financial year</b>							<b>(636,706)</b>	<b>(835,818)</b>
(b) Segment assets and liabilities								
Segment assets	69,003,834	56,039,243	350,026	200,712	24,218	14,959	69,378,078	56,254,914
Segment liabilities	41,362,905	27,709,572	2,094,582	1,839,698	11,376	36,742	43,468,863	29,586,012
Capital expenditure	18,903,454	14,501,868	–	–	–	–	18,903,454	14,501,868
Depreciation of property, plant and equipment	7,757	14,169	14,801	14,854	–	–	22,558	29,023
Depreciation of right-of use assets	78,716	75,654	–	–	–	–	78,716	75,654



# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 28 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	
	2020	2019
	\$	\$
Singapore	60,067	45,546
Vietnam	54,988,469	41,750,656
	<u>55,048,536</u>	<u>41,796,202</u>

## 29 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 2021 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) 1-16 Property, Plant and Equipment:

Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

# NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 29 New or revised accounting standards and interpretations (continued)

### **Amendments to SFRS(I) 1-16 Property, Plant and Equipment:** (continued)

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

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

### **Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets:**

Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

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

## 30 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 15 April 2021.



# STATISTICS OF SHAREHOLDING

As at 16 March 2021

Class of shares	No. of shares	%
Ordinary	1,950,619,331	100.0
Treasury	Nil	0.0
Total Issued Shares	1,950,619,331	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 16 March 2021, 36.08% 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 16 MARCH 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	3	0.22	71	0.00
100 – 1,000	67	4.87	39,687	0.00
1,001 – 10,000	154	11.20	912,005	0.05
10,001 – 1,000,000	1,042	75.78	214,369,830	10.99
1,000,001 AND ABOVE	109	7.93	1,735,297,738	88.96
<b>TOTAL</b>	<b>1,375</b>	<b>100.00</b>	<b>1,950,619,331</b>	<b>100.00</b>



# STATISTICS OF SHAREHOLDING

As at 16 March 2021

## TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares Held	%
1	CHIN BAY CHING	506,739,359	25.98
2	KGI SECURITIES (SINGAPORE) PTE. LTD	488,000,000	25.02
3	CITIBANK NOMINEES SINGAPORE PTE LTD	252,065,772	12.92
4	LOW CHIN KWEE	89,786,067	4.60
5	DBS NOMINEES PTE LTD	30,203,900	1.55
6	KWA KAY HOW	29,844,500	1.53
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	18,145,600	0.93
8	OCBC SECURITIES PRIVATE LTD	14,701,200	0.75
9	KOH KAH BENG (XU JIANG)	12,679,000	0.65
10	UOB KAY HIAN PTE LTD	10,070,000	0.52
11	OCBC NOMINEES SINGAPORE PTE LTD	9,199,000	0.47
12	CHOI BOON WAI	8,984,000	0.46
13	MAYBANK KIM ENG SECURITIES PTE. LTD	8,600,200	0.44
14	IFAST FINANCIAL PTE LTD	8,424,600	0.43
15	SHEN CHEE TONG STEVEN	8,300,000	0.43
16	ANG CHIN SHENG	7,540,900	0.39
17	LEE MUN SENG	7,155,500	0.37
18	PEY YEW HONG	6,600,000	0.34
19	NG SENG HONG	6,390,800	0.33
20	RAFFLES NOMINEES (PTE) LIMITED	6,067,200	0.31
<b>TOTAL</b>		<b>1,529,497,598</b>	<b>78.42</b>

## Substantial Shareholders

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chin Bay Ching	506,739,359	25.98	249,865,772 <sup>(1)</sup>	12.81
Higashi & Sons Pte. Ltd	488,000,000 <sup>(2)</sup>	25.02	–	–
Ng Lee Tian <sup>(3)</sup>	–	–	488,000,000	25.02

Note:

<sup>(1)</sup> 249,865,772 Shares held in the name of Citibank Nominees Singapore Pte. Ltd

<sup>(2)</sup> 488,000,000 Shares held in the name of KGI Securities (Singapore) Pte. Ltd.

<sup>(3)</sup> Ng Lee Tian is the sole legal and beneficial owner of Higashi & Sons Pte. Ltd. Accordingly, Ng Lee Tian is deemed interested in 488,000,000 Shares, which Higashi & Sons Pte. Ltd. is direct interested in, by virtue of Section 7 of the Companies Act.



# 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 convened and held by way of electronic means on Friday, 30 April 2021 at 10.00 a.m. for the following purposes:-

## ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2020 and the Directors' Statement and Independent Auditor's Report thereon. **[Resolution 1]**
2. To re-elect Mr Gersom G Vetuz, who is retiring pursuant to Article 95 of the Constitution of the Company. **[Resolution 2]**  
  
Mr Gersom G Vetuz will, upon re-election as Director of the Company, shall remain as the Chairman of the Audit Committee and the member of the Remuneration and Nominating 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)
3. That contingent upon the passing of Ordinary Resolution 2 above, members to approve the continued appointment of Mr Gersom G Vetuz, as an Independent Director, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, that will take effect on 1 January 2022. **[Resolution 3]**  
(See Explanatory Note 2)
4. That contingent upon the passing of Ordinary Resolution 3 above, members (excluding the Directors and Chief Executive Officer ("**CEO**") of the Company, and associates of such Directors and CEO), to approve Mr Gersom G Vetuz's continued appointment as an Independent Director, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, that will take effect on 1 January 2022. **[Resolution 4]**  
(See Explanatory Note 2)
5. To re-elect Mr Loh Eu Tse Derek, who is retiring pursuant to Article 95 of the Constitution of the Company. **[Resolution 5]**  
  
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 Catalist Rules.  
(See Explanatory Note 3)
6. To approve Directors' fees of S\$125,000 for the financial year ended 31 December 2020 (S\$121,273.97 for the financial year ended 31 December 2019). **[Resolution 6]**
7. To approve Directors' fees of S\$125,000 for the financial year ended 31 December 2021 and the payment thereof on a quarterly basis. **[Resolution 7]**
8. To re-appoint Nexia TS Public Accounting Corporation as auditor of the Company and to authorise the Directors to fix its remuneration. **[Resolution 8]**
9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications;

10. Authority to allot and issue shares up to 100 per cent (100%) of issued shares

That pursuant to Section 161 of the Companies Act, Cap. 50 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);
- (ii) (subject to such manner of calculation as may be prescribed by the Rules of Catalist), 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 4) **[Resolution 9]**

11. 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, Cap. 50, 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 5)

**[Resolution 10]**

### **By Order of the Board**

Lee Bee Fong  
Company Secretary  
15 April 2021  
Singapore

### **EXPLANATORY NOTES:**

1. In relation to **Resolution 2** proposed in item 2 above, there is no relationships (including immediate family relationships) between Mr Gersom G Vetuz and with the other Directors, the Company or its 5% shareholders.

The detailed information pursuant to Rule 720(5) of the Catalist Rule on Mr Gersom G Vetuz can be found under the section titled “Disclosure of Information on Directors Seeking Re-Election” in the Company’s Annual Report.

# NOTICE OF ANNUAL GENERAL MEETING

2. In relation to **Resolutions 3 to 4** proposed in items 3 to 4 above, Mr Gersom G Vetuz was appointed as an independent director of the Company since 15 September 2008, has served the Board beyond nine years. Rule 406(3)(d)(iii) of the Catalist Rules, which will take effect from 1 January 2022 under Transitional Practice Note 2 of the Catalist Rules, requires an independent director who has served an aggregate period of more than nine (9) years (whether before or after listing) and whose continued appointment as an independent director to seek shareholders' approval through a Two-Tiered Voting process accordingly in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer, and associates of such directors and chief executive officer. Accordingly, Mr Gersom will be required to adhere to the above two tier voting mechanism should he wish to seek for re-election. Upon the passing of Ordinary Resolutions 2, 3 and 4, Mr Gersom G Vetuz will continue to serve as an independent director, until the earlier of his retirement or resignation; or the conclusion of the third Annual General Meeting following the passing of the Ordinary Resolutions 3 to 4.
3. In relation to **Resolution 5** proposed in item 5 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 Rule 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.

4. **Resolution 9**, 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 share (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.
5. **Resolution 10**, 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 9**.

# NOTICE OF ANNUAL GENERAL MEETING

## Important Notes:

### 1. **Pre-Registration:**

The AGM is being convened, and will be held, by electronic means 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, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendments No. 2 & 3) Order 2020 and shareholders will not be able to attend the AGM physically.

Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM which has been uploaded on SGXNet and the Company's website on the same day. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's corporate website <https://www.adventusholdings.com/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-visual webcast via mobile phones, tablets or computers. In order to do so, a member must pre-register by **10.00 a.m. on 27 April 2021**, at [https://us02web.zoom.us/webinar/register/WN\\_VPV3tOPZQsGTmQS9UKvWaA](https://us02web.zoom.us/webinar/register/WN_VPV3tOPZQsGTmQS9UKvWaA) for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the "live" audio-visual webcast of the proceedings of the AGM by **10.00 a.m. on 29 April 2021**. Members who do not receive an email by **12.00 p.m. (noon) on 29 April 2021**, but have registered by the **27 April 2021** deadline, should contact the Company for assistance at the following email address: [info@adventusholdings.com](mailto:info@adventusholdings.com) with the following details included: (1) the member's full name; and (2) his/her/its identification/registration number.

Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the "live" audio-visual webcast of the AGM must approach their respective depository agents to pre-register by **5.00 p.m. on 20 April 2021** in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.

Shareholders MUST NOT forward their abovementioned unique link to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload the Live Webcast. RECORDING OF THE AGM PROCEEDINGS in whatever form is also STRICTLY PROHIBITED.

### 2. **Submission of Questions:**

A member who pre-registers to watch the "live" audio-visual webcast may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by **10.00 a.m. on 25 April 2021** by email to [info@adventusholdings.com](mailto:info@adventusholdings.com). Please note that shareholders will not be able to live questions during the AGM therefore it is important for shareholders to pre-register their participation in order to be able to submit their questions in advance of the AGM.

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/>.

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/>.

### 3. **Submission of Proxy Form:**

**A member will not be able to vote through the "live" audio-visual webcast and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.** The proxy form for the AGM can also be accessed at the Company's corporate website at the URL <https://www.adventusholdings.com/> and is made available with this Notice of AGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> on the same day.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (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 20 April 2021** 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 **10.00 a.m. on 28 April 2021**.

In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The Chairman of the Meeting, as a proxy, need not be a member of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

The instrument appointing the Chairman of the Meeting as proxy 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](mailto:info@adventusholdings.com).

in either case, no later than **10.00 a.m. on 28 April 2021**.

A member who wishes to submit an instrument of proxy may also **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.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy 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 Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy).

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, Chapter 289), the Company may reject any instrument appointing the Chairman of the Meeting as proxy 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.

#### **4. Annual Report and other documents:**

The Annual Report for the financial year ended 31 December 2020 ("**FY2020 Annual Report**") which was issued on 15 April 2021 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 15 April 2021 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 FY2020 Annual Report, the Notice of AGM and Proxy form will not be sent.

#### **5. Important Notes:**

Due to the evolving COVID-19 situation in Singapore, further measures and/or changes to the AGM arrangements may be made on short notice in the ensuing days, even up to the day of the AGM. Shareholders are advised to check regularly the SGXNet and the Company's corporate website at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/>.

In view of the above alternative arrangements, the Company seeks the understanding and cooperation of all shareholders in the event of any technical disruptions, and in enabling the Company to hold the AGM with the optimum safe distancing measures so to minimise the risk of community spread of COVID-19.

#### **Personal data privacy:**

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via "live" audio-visual webcast, or (c) 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 the Chairman of the Meeting as proxy 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) processing of the registration for purpose of granting access to members of the Company (or their corporate representatives in the case of members of the Company which are legal entities) to the "live" audio-visual webcast to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) 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
- (iv) 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:

1. The Annual General Meeting ("AGM" or the "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Minister of Law on 13 April 2020 (and subsequently updated on 27 April 2020), and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendments No. 2 & 3) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this proxy form which can be accessed from the Company's corporate website at the URL <https://www.adventusholdings.com> and SGXNet.
2. **Shareholders will not be able to attend the AGM physically.** If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, **he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.** In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including CPF investors, SRS investors and holders under depository agents) and who wish to appoint the Chairman of the Meeting as proxy 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 20 April 2021.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2021.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as 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 Chairman of the Meeting**, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting ("AGM" or the "Meeting") of the Company to be held by way of electronic means via "live" audio-visual webcast on **Friday, 30 April 2021 at 10.00 a.m.** (Singapore time) and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the Meeting, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the Meeting, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

No.	Resolutions Relating To:	For*	Against*	Abstain*
<b>ORDINARY BUSINESS</b>				
1.	Adoption of Directors' Statement and Financial Statements			
2.	Re-election of Mr Gersom G Vetuz			
3.	Approval of Mr Gersom G Vetuz's continued appointment as an Independent Director by Members			
4.	Approval of Mr Gersom G Vetuz's continued appointment as an Independent Director by Members (excluding the Directors and Chief Executive Officer ("CEO") of the Company, and associates of such Directors and CEO)			
5.	Re-election of Mr Loh Eu Tse Derek			
6.	Approval of Directors' Fees for the financial year ended 31 December 2020			
7.	Approval of Directors' Fees for the financial year ending 31 December 2021 and the payment thereof on a quarterly basis.			
8.	Re-appointment of Nexia TS Public Accounting Corporation as auditor of the Company and to authorise the Directors to fix its remuneration			
<b>SPECIAL BUSINESS</b>				
9.	Authority to Directors to allot and issue new shares			
10.	Authority to Directors to offer and grant options and to issue shares under the Adventus Employee Share Option Scheme			

**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 \_\_\_\_\_ 2021

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, Chapter 289 of Singapore), 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 will not be able to vote through the "live" audio-visual webcast is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. The Chairman of the Meeting, as a proxy, need not be a member of the Company.  
The instrument appointing the Chairman of the Meeting as proxy 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 **10.00 a.m. on 28 April 2021**.

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.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

4. The instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy, failing which the instrument may be treated as invalid.

5. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). 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 the Chairman of the Meeting as proxy 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 15 April 2021.

Affix  
postage  
stamp here

**ADVENTUS HOLDINGS LIMITED**

52 Telok Blangah Road  
#03-06 Telok Blangah House  
Singapore 098829





**Adventus Holdings Limited**  
**Co.Reg.No. 200301072R**  
**52 Telok Blangah Road**  
**#03-06 Telok Blangah House**  
**Singapore 098829**  
**Phone : (65) 6382 2110**  
**Fax : (65) 6382 2420**