Adventus

Adventus Holdings Limited

Annual Report 2018

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.

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

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

Nominating Committee
Mr Loh Eu Tse Derek (Chairman)
Mr Chin Bay Ching
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
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Fax: +65 6236 4399
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Bankers
DBS Bank Ltd
United Overseas Bank Limited

Independent Auditors
Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way
OUE Downtown 2
#33-00
Partner-in-charge: Ms Lim Bee Hui
(Date of appointment: Financial year ended 31 December 2015)

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Registered Professional: Mr Khong Choun Mun

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CHAIRMAN'S **MESSAGE**

DEAR SHAREHOLDERS,

On behalf of the board of directors ("**Board**") of Adventus Holdings Limited ("**Company**", and together with its subsidiaries, the "**Group**"), I would like to present the Annual Report and financial results of the Group for the financial year ended 31 December 2018 ("**FY2018**").

FINANCIAL AND OPERATIONAL OVERVIEW

In 2017, the Group had diversified and focused its resources on Hotel Property Development and Investment business. The Group began developing two 5-star hotels, namely the Da Nang 5-Star Hotel Development and Hoi An 5-Star Resort projects in Vietnam. As at end of 2018, both developments have made significant progress and is on schedule. In April 2018, the Group invested in a joint venture to develop a residential apartment in Da Nang.

Following the divestment of businesses in FY2017, the Group recorded a loss of S$0.8 million in FY2018, mainly due to administrative costs and cost incurred by our projects in Vietnam, and also due to the absence of recurring revenue from continuing operations. The loss of S$4.53 million in FY2017 included loss from discontinued operations.

Moving forward, the Group will continue its commitment and actively pursue new business opportunities in the challenging business environment within the region.

In pursuit of the hotel developments' progress and investments in Vietnam, the Group's cash and bank balances decreased to S$1.00 million in FY2018 as compared to S$9.94 million in FY2017. Resulting from the loss in FY2018, the net equity attributable to owners of the Company decreased to S$19.93 million compared to S$20.60 million in FY2017.

OUTLOOK

The business outlook in FY2019 remains challenging due to geopolitical problems and the global economic uncertainties. Nevertheless, the Management will continue to explore new business opportunities with a view of providing recurring income and profit margins.

The on-going developments in Vietnam are expected to continue making progress as planned in FY2019. Until it is completed and operationally ready, the Board is of the view that the diversification into hospitality-related services will provide an additional and new income streams for a more stable cash flow to the Group over the mid to longer-term which will enhance shareholder's value.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to record my appreciation to all our valued shareholders, customers, business partners, management and staff for their invaluable support and contributions.

I would also like to express my sincerest thanks to our Board for their wise counsel, vast experience, and varied perspectives that have enriched the deliberations of the Board.

Chin Bay Ching
Chairman and Executive Director

BOARD OF **DIRECTORS**

Mr Chin Bay Ching
Chairman and Executive Director

Mr Chin was appointed as Chairman and Executive Director of the Company on 25 July 2014. He is presently a member of the Nominating Committee.

Mr Chin has an extensive career with over 27 years of experience in the property development and hospitality sectors. He is a developer of various property development projects in Singapore, Australia, Malaysia and China. These development projects include residential housing, condominiums, golf courses and hotels. Mr Chin's substantial experience in property development, management and investment will enable the Group to capitalise on new opportunities in these areas.

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

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 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.

Mr Derek Loh Eu Tse
Non-Executive Independent Director

Mr Loh was appointed as Non-Executive Independent Director of the Company on 25 July 2014. 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. He holds directorships in listed companies in Singapore and abroad including DISA Limited, Federal International (2000) Ltd, Vibrant Group Limited and Vietnam Enterprise International Limited.

In March 2019, he was appointed as Non-Executive Independent Director of K2 F&B Holdings Limited, listed on the main board of The Stock Exchange of Hong Kong 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 was a senior banker with over 30 years of banking experience with international banks and Singapore's longest established bank, OCBC Bank. His experience and expertise span across syndicated loans, project financing, structured trade financing and merger and acquisitions. He is particularly 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 the banking industry in June 2016 as a Senior Vice President with Maybank, Singapore. Currently, he is a Non-Executive Independent Director of Union Steel Holdings Limited and he is also a Non-Executive Independent Chairman of Koyo International Limited. Both companies are listed in Singapore.

In March 2019, he was appointed as Non-Executive Independent Director of K2 F&B Holdings Limited, listed on the main board of The Stock Exchange of Hong Kong Limited.

Mr Wong is dedicated to contributing to civic organisations 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.

KEY MANAGEMENT

Ms Chin Rui Shan
Overseas Finance Director

Ms Chin was appointed as Overseas Finance Director of the Company on 14 March 2018. She has previously worked in listed and private non-listed SMEs with lean organisational structures and was familiar with taking on multiple roles during her stints. She has experience in business development as well as project management roles involving real estate development and hospitality.

Ms Chin graduated with a Bachelor Degree in Finance and Master in Accounting (both with Honors) from New York University Leonard N. Stern School of Business, New York, USA.

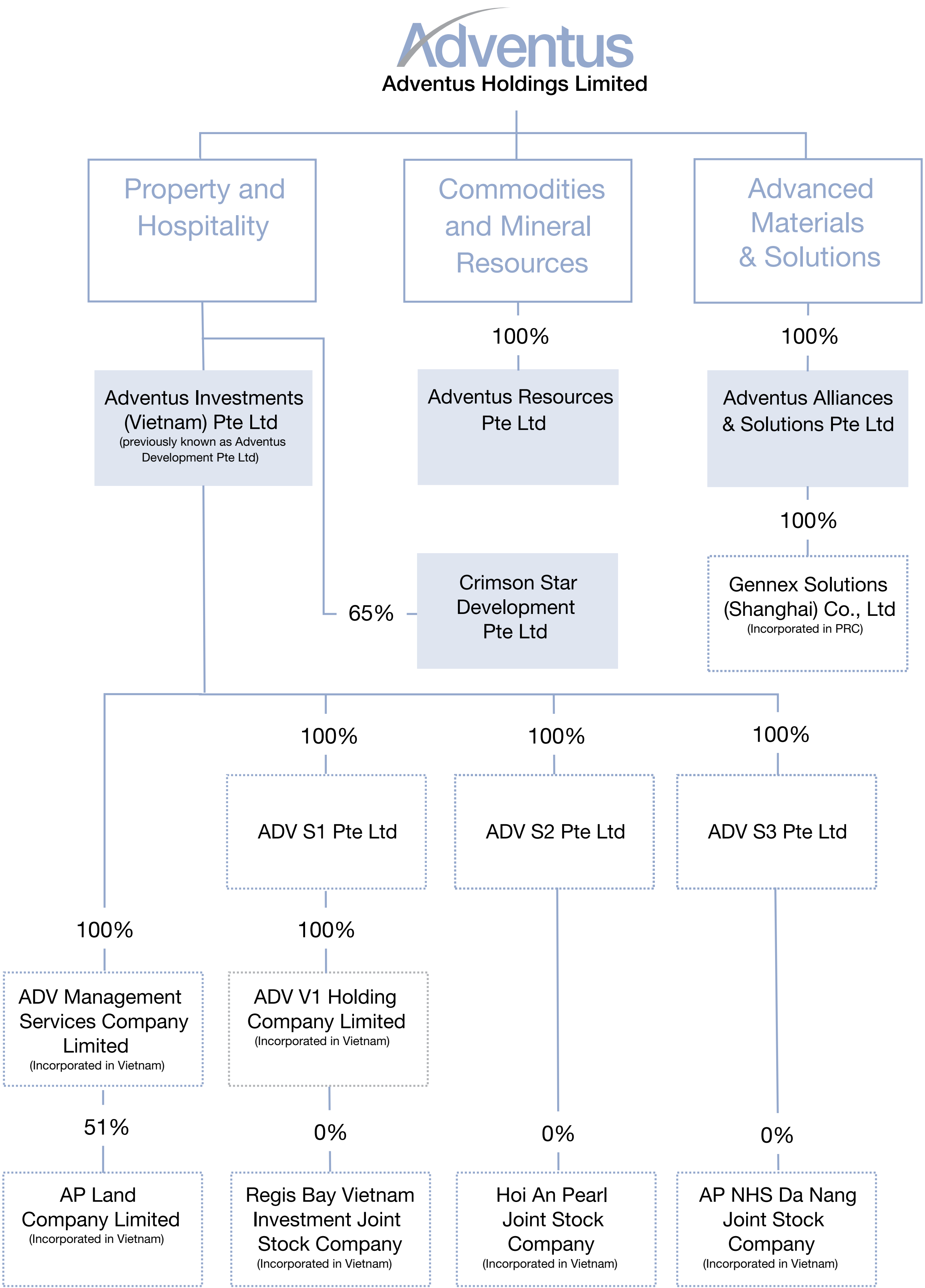
Mr Wong Sonny Wing Doug
Project Director

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

Mr Wong has over 8 years of 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.

CORPORATE STRUCTURE



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 2012 Code and the Catalist Rules.

In accordance with Rule 710 of the Catalist Rules, this report sets out the Company's corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2012 ("**2012 Code**"), which was issued by the Monetary Authority of Singapore on 2 May 2012. The Company believes that it has largely complied with the spirit and intent of the 2012 Code and in areas where the Company's practices have deviated from the 2012 Code, rationale for the same is provided herein.

The 2012 Code is divided into four main sections, namely:

A. BOARD MATTERS
B. REMUNERATION MATTERS
C. ACCOUNTABILITY AND AUDIT
D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

(A) BOARD MATTERS

PRINCIPLE 1 – THE BOARD'S CONDUCT OF AFFAIRS

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board comprises five (5) directors, two (2) of whom are executive directors and three (3) of whom are non-executive independent directors.

The Board members as at the date of this Annual Report are:

Name of Director	Designation	Date appointed
Mr Chin Bay Ching	Chairman and Executive Director	25 July 2014
Mr Chin Rui Xiang	Executive Director	14 March 2018
Mr Gersom G Vetuz	Non-Executive Independent Director	15 September 2008
Mr Loh Eu Tse Derek	Non-Executive Independent Director	25 July 2014
Mr Wong Loke Tan	Non-Executive Independent Director	11 May 2017

The profiles of our directors can be found on pages 4 and 5 of this Annual Report.

The Board is responsible for setting the strategic direction of the Company. Every director of the Company ("**Director**") is expected to always act in good faith and in the best interests of the Company.

The Board is entrusted with the responsibility for the overall management of the Company. The Board's primary responsibilities include review and approval of policy guidelines, and setting directions to ensure that the strategies undertaken will create shareholders value.

The following are examples of matters that require the Board's approval:

(a) statutory requirements such as approval of annual report and financial statements;

(b) other requirements such as half year and full year results announcements;

(c) corporate strategic directions, strategies and action plans;

(d) issuance of key policies and key business initiatives;

(e) authorisation of acquisition/disposal and other material transactions;

(f) declaration of interim dividends and proposal of final dividends; and

(g) convening of Shareholders' Meetings.

DIRECTORS' ATTENDANCE AT BOARD, AUDIT COMMITTEE, NOMINATING COMMITTEE AND REMUNERATION COMMITTEE MEETINGS

During FY2018, the number of meetings held and the attendance of each member of the Board and Board committees are as follows:

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

Note:

(1) Mr Chin Rui Xiang was appointed as Executive Director of the Company on 14 March 2018.

A newly appointed director will receive a thorough briefing by existing directors and management of the Company ("**Management**") on the Group's business and governance practices.

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.

PRINCIPLE 2 – BOARD COMPOSITION AND GUIDANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board reviews the composition of the Board and Board Committees annually. The Board is of the view that the current size and composition is adequate and sufficient for effective decision-making given that independent directors form more than half of the Board. The Board adopts the 2012 Code's definition of an independent director and reviews this on an annual basis. Each independent director is required to complete a Confirmation of Independence declaration annually to confirm his independence based on the guidelines set out in the 2012 Code. Each of the non-executive independent directors had recused themselves from the Board's deliberations on their respective independence.

Mr Gersom G Vetuz, Non-Executive Independent Director of the Company, has served the Board beyond nine (9) years from the date of his first appointment. The Board and the NC had rigorously reviewed and agreed that Mr Gersom G Vetuz had participated, deliberated and always expressed his views independently and objectively. The Board acknowledges that Mr Gersom G Vetuz brings invaluable expertise, experience and knowledge to the Board. Mr Gersom G Vetuz is familiar with the Group's business and will continue to contribute positively to the Group. Despite his length of service, the Board has determined that Mr Gersom G Vetuz remains independent in terms of character and judgement. The Board is satisfied that Mr Gersom G Vetuz can continue to discharge his duties objectively.

The non-executive independent directors have confirmed that they do not have any relationship with the Company or its related corporations, its 10% 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.

PRINCIPLE 3 – CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

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.

At the date of this Annual Report, the Board comprises two (2) executive directors and three (3) non-executive independent directors, and the Chairman is not independent. However, since independent directors and non-executive directors make up majority of the Board, this composition serves as a check that the Board as a whole is independent in substance, and that the power and authority of the Board does not vest in only one person.

Currently, the Company does not have a lead independent director. Nonetheless, the non-executive independent directors meet periodically without the presence of the other directors and thereafter, provide feedback to the Chairman after such meetings.

Mr Chin Bay Ching discharges 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 Chin Bay Ching also exercises control over the quality and timeliness of information flow between the 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 2012 Code.

PRINCIPLE 4 – BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Company recognises and embraces the benefits of diversity of Board members. This is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The selection of candidates is 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 based on the merits and contribution that the selected candidates could bring to the Board.

Each Director has been appointed based on his calibre and experience. As a group, 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 the Management fully appreciate that an effective and robust board whose members engage in open and constructive debates and constantly challenge the 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.

PRINCIPLE 5 – BOARD PERFORMANCE

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC members as at the date of this Annual Report are:

Mr Loh Eu Tse Derek (Chairman)	Non-Executive Independent Director
Mr Chin Bay Ching	Chairman and Executive Director
Mr Wong Loke Tan	Non-Executive Independent Director

The NC currently comprises two (2) non-executive independent directors and an executive director, a majority of whom, including the NC Chairman, is independent. There is no alternate director on the Board.

The NC's principal functions are as follows:

(a) review 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 or not a director is able to and has been adequately carrying out his duties as a director of the Company;

(e) evaluate the performance and effectiveness of the Board as a whole and the contribution of each director;

(f) review of board succession plans for directors, in particular, the Chairman and CEO (if any) and makes recommendations to the Board with regards to any adjustments that are deemed necessary; and

(g) review the training and professional development programmes for the Board from time to time.

The NC is satisfied that the current structure, size and composition of the Board is adequately able to meet the Company's existing scope of needs and the nature of operations. From time to time, the NC will review the appropriateness of the current size of the Board, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

New directors are appointed by way of a Board resolution, upon their nomination by the NC. In its search and selection process for new directors, the NC taps on the resources of directors' personal contacts and recommendations of potential candidates. 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. In accordance with the Company's Articles of Association (the "**Articles**"), the new directors who are appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. The Articles also provide that at least one third of the remaining directors be subject to re-election by rotation at each Annual General Meeting ("**AGM**"). This will enable all shareholders to exercise their rights in selecting all Board members.

Apart from the requirements of the Articles, 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.

Pursuant to Article 95 of the Company's Articles, the following directors 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.

Name of Director	Appointment	Date appointed	Article
Mr Gersom G Vetuz[(1)]	Non-Executive Independent Director	15 September 2008	Article 95
Mr Loh Eu Tse Derek[(1)]	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.

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.

All Directors are required to declare their board representations as at the date of this Annual Report. 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:

Director	Date of initial appointment	Date of last re-elected as Director	Current directorships in other listed companies	Past directorships in other listed companies (preceding three years)	Details of Other Principal Commitment, if any
Mr Chin Bay Ching	25 July 2014	27 April 2018	–	–	–
Mr Chin Rui Xiang	14 March 2018	27 April 2018	–	–	–
Mr Gersom G Vetuz	15 September 2008	28 April 2017	–	–	–
Mr Loh Eu Tse Derek	25 July 2014	28 April 2017	DISA Limited Federal International (2000) Ltd K2 F&B Holdings Limited Vibrant Group Limited Vietnam Enterprise Investments Limited	Metech International Limited	Executive Director, TSMP Law Corporation Singapore
Mr Wong Loke Tan	11 May 2017	27 April 2018	K2 F&B Holdings Limited Koyo International Limited Union Steel Holdings Limited	-	-

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 the directors with multiple board representations have given adequate time and attention to the Company's affairs during the year under review. As time requirements of each director are subjective, the NC has decided not to fix a maximum limit on the number of directorships a director may hold. 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.

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 from time to time, 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.

At as the date of this Annual 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 checklist and evaluation forms 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. Following the review, the Board is of the view that the current Board operates 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.

PRINCIPLE 6 – ACCESS TO INFORMATION

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The directors have separate and independent access to the Company Secretary and the external auditors at all times. The Company currently does not have a formal procedure to seek independent and professional advice for the furtherance of the Board's duties. However, the directors may, on a case-to-case basis, propose to the Board for such independent and professional advice, the cost of which will be borne by the Company.

The Company Secretary assists in the conduct of Board meetings and ensures that Board procedures are adhered to. The Company Secretary will also ensure that the requirements of the Companies Act, Chapter 50 of Singapore ("**Act**") and all other applicable rules and regulations of the SGX-ST are complied with.

To assist the members of the Board, the Company has arranged for the Board to be updated by the Company Secretary and its other professional consultants on the continuing obligations and various requirements expected of a listed company.

During the financial year, the external 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. In addition, the 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.

In recognition of the high standard of accountability to our shareholders, the Directors have established various board committees, namely, NC, Remuneration Committee ("**RC**") and Audit Committee ("**AC**"). These committees function within clearly defined terms of references and operating procedures, which will be reviewed on a regular basis by the Board. The effectiveness of each committee will also be constantly reviewed by the Board.

All members of the AC and RC are non-executive independent directors. During FY2018, the NC was chaired by a non-executive independent director and the majority of the members are non-executive independent directors.

(B) REMUNERATION MATTERS

PRINCIPLE 7 – PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises 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

The RC comprises all non-executive independent directors.

The RC is governed by written terms of reference under which RC is responsible for:

(a) the review and recommendation to the Board a general framework of remuneration for the Board and key management personnel;

(b) the review and recommendation of specific remuneration package for each director and key management personnel;

(c) 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);

(d) 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;

(e) the review and recommendation to the Board of the terms of renewal of service contracts of directors; and

(f) 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.

The RC's tasks 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 FY2018.

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.

PRINCIPLE 8 – LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Company adopted the objectives as recommended by the 2012 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 Company had taken appropriate and meaningful measures in assessing the executive directors and key management personnel performance.

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 Chin Bay Ching 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 non-executive independent directors do not have any service agreements with the Company. Except for directors' fees, which have to be approved by shareholders at AGMs, the non-executive independent directors do not receive any other forms of remuneration from the Company.

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.

PRINCIPLE 9 – DISCLOSURE ON REMUNERATION

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The breakdown of the remuneration paid to the directors for the financial year ended 31 December 2018 is as follows:

Name of Director	Salary[1]	Directors' fees[2]	Total Remuneration (S$'000)
Mr Chin Bay Ching	100%	–	266
Mr Chin Rui Xiang[3]	100%	–	137
Mr Gersom G Vetuz	–	100%	35
Mr Loh Eu Tse Derek	–	100%	40
Mr Wong Loke Tan	–	100%	25

Notes:

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

(2) Directors' fees payable in cash, in 2019, for being a Director in FY2018. This is subject to shareholders' approval at the AGM of the Company to be held on 30 April 2019.

(3) Mr Chin Rui Xiang's remuneration had been prorated accordingly as he was appointed on 14 March 2018.

During the financial year, the performance conditions and criteria used to determine the executive directors and key management personnel entitlement under the short term and long-term incentive schemes have been met. There are currently no termination, retirement, or post-employment benefits that may be granted to the Directors and key management personnel.

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

Performance Conditions	Short-term incentive (such as performance bonus)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Job performance
Quantitative	Profit before tax

The RC has reviewed and is satisfied that the performance conditions were met for FY2018.

The remuneration of each of the key management personnel of the Group (who are not directors or the CEO) does not exceed $250,000 for the financial year ended 31 December 2018.

Remuneration band of key management personnel	Salary[(1)]	Bonus[(2)]
Between $150,000 and $200,000		
Mr Wong Sonny Wing Doug [(3)]	92%	8%
Between $100,000 and $150,000		
Ms Chin Rui Shan [(3)]	92%	8%

Notes:

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

(2) Bonus is inclusive of CPF.

(3) Both the key management personnel were appointed on 14 March 2018. Their remuneration had been prorated accordingly.

The Company has two key management personnel who are not directors or the CEO. The aggregate remuneration paid to both key management personnel in FY2018 is S$273,883.

The profile of each of the key management personnel is set out on Page 6 of this Annual Report.

ADVENTUS EMPLOYEE SHARE OPTION SCHEME

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

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

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

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

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

REMUNERATION OF OTHER EMPLOYEES RELATED TO A DIRECTOR

As at 31 December 2018, there were two (2) employees within the Group whom are immediate family members of the Executive Directors and whose annual remuneration exceeds $50,000.

1. Ms Chin Rui Shan, whom is daughter to Mr Chin Bay Ching and sister to Mr Chin Rui Xiang, and;

2. Mr Wong Sonny Wing Doug, whom is son-in-law to Mr Chin Bay Ching and brother-in-law to Mr Chin Rui Xiang.

(C) ACCOUNTABILITY AND AUDIT

PRINCIPLE 10 – ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

PRINCIPLE 11 – RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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.

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.

The Board has obtained written confirmations from the Chairman and Group Finance Manager:

(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, external auditors and external certification firms and reviews performed by management, various Board Committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, are adequate and effective for the financial year ended 31 December 2018.

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.

PRINCIPLE 12 – AUDIT COMMITTEE

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises the following members:

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

The AC carried out its functions in accordance with Section 201B(5) of the Act, and has been entrusted with the following functions:

(a) review with the auditors the audit plans, their evaluation of the system of internal controls, audit report and management letter;

(b) review the financial statements before release to external and relevant parties;

(c) review the scope and results of the internal audit function and ensuring co-ordination between the internal and external auditors and the Management;

(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 external auditors and seek to balance the maintenance of objectivity and value for money;

(h) nominate the appointment of external 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 meets at least twice a year and as frequently as is required. In particular, the AC meets 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.

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.

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

The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

The AC reviews the independence and objectivity of external auditors annually. The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. During the financial year under review, the AC has reviewed the independence of Deloitte & Touche LLP and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

During the financial year under review, the aggregate amount of fees paid and/or payable to the external auditors for the audit services amounted to S$174,000. There were no fees paid by the Group or the Company to the external 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, the AC has recommended the external auditors to the Board for re-appointment.

As at the date of this report, none of the former partners or directors of the Company's external auditor's firm has been appointed as a member of the AC.

The Company has in place a Whistle Blowing Policy to provide a channel for employees of the Group and external parties to report, in good faith and in confidence, their concerns about possible improprieties relating to financial reporting or on other matters. The AC exercises the overseeing function over 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 Annual Report, there were no reports received through the whistle blowing mechanism.

PRINCIPAL 13 – INTERNAL AUDIT

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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 the IA to perform its function.

The IA is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) 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.

The IA completed one (1) review during the financial year ended 31 December 2018 in accordance with the internal audit plan approved by the AC.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14 – SHAREHOLDER RIGHTS

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

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

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information relating to the Company's new initiatives are first disseminated via SGXNET followed by a news release (if appropriate), which is also available on the SGX-ST's website.

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 report are announced or issued within the mandatory periods.

PRINCIPLE 15 – COMMUNICATION WITH SHAREHOLDERS

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

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.

PRINCIPLE 16 – CONDUCT OF SHAREHOLDER MEETINGS

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

All shareholders of the Company will receive a copy of the Annual Report, the notice of general meeting and circular and notice pertaining to any extraordinary general meeting of the Company.

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 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.

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

To facilitate participation by the shareholders, the Articles 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. Separate resolutions on each distinct issue are tabled. The voting procedures are clearly explained during the general meetings.

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 to the shareholders upon request.

The Company will put all resolutions to vote by poll at the upcoming AGM in compliance with the Catalist Rules.

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.

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.

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

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.

In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction. The aggregate value of transactions entered into by the Group with interested persons and their associates for FY2018 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
Mr Chin Bay Ching	1,000[(1)]	Nil

Note:

(1) Mr Chin Bay Ching, Chairman and Executive Director, and controlling shareholder of the Company, had extended an unsecured and interest-free loan of S$1,000,000 to the Company. Please refer to the related announcement dated 19 September 2018 for more details.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

MATERIAL CONTRACTS

There were no material contracts of the Company or any of its subsidiaries involving the interest of the Chairman or any director or controlling shareholder that were (i) entered into since the end of the previous financial year under review and up to the date of this Annual Report; or (ii) subsisting as at 31 December 2018.

NON-SPONSOR FEES

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

1. Board's statement

We reaffirm our commitment to sustainability with the publication of our sustainability report ("Report") guided by the GRI Standards: Core options and SGX-ST listing rule 711 (A) and 711 (B). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("ESG") factors and economic performance.

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 ESG 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 ESG 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 ESG factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organizational and external developments.

2. Reporting framework

This report has been prepared in accordance with the GRI Standards: Core option and published in pursuant to 711(A) and 711(B) Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). We have chosen to report using GRI Standards: Core option as it is an internationally recognized reporting framework.

3. Reporting period

This Report is applicable for our Group's financial year ended 31 December 2018 ("FY2018") and will be published annually thereafter 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

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
1	Employee	Senior management held regular communication sessions with employees for effective flow of information and alignment of business goals across all levels of workforce and regular staff evaluation sessions where employees can pose questions in person.
2	Regulator	We participate in consultations and briefing organised by key regulatory bodies such as Singapore Stock Exchange and relevant government agencies/ bodies so as to furnish feedback on proposed regulatory changes that impact the company's business.
3	Shareholder	We convey timely, full and credible information to shareholders through announcement on SGXNET, Company's website (http://www.adventusholdings.com), annual general meetings, annual reports, and other channels such as business publications and investors' relation events.

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

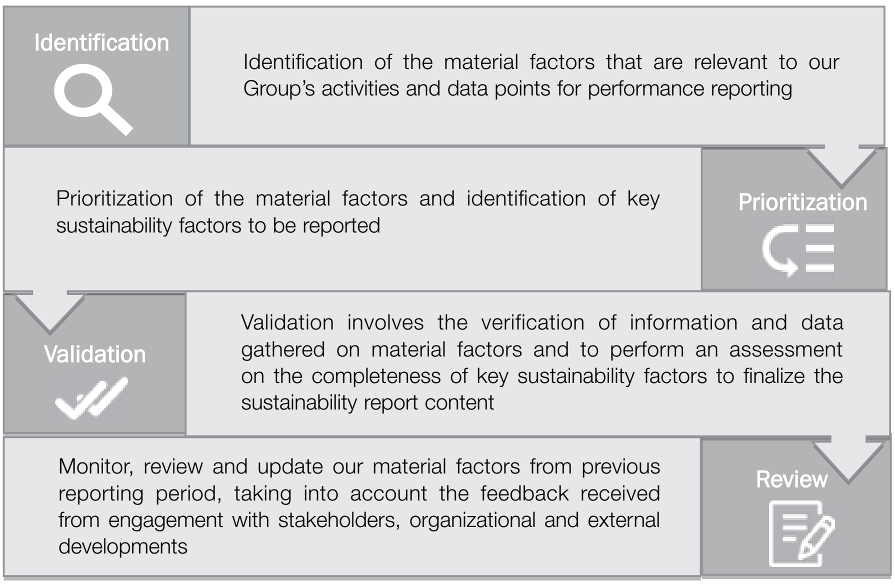
6. Policy, practice and performance reporting

6.1 Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. Our Group's Sustainability Committee, which includes senior management executives, is led by the Chairman and Group Finance Manager, and 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 prioritized as material factors which are then validated. The end results of this process is a list of material factors disclosed in this Report. Inter-relations of which are as shown in the chart below:



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
I	High	Factors with high reporting priority should be reported on in detail.
II	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.
III	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 materiality factor matrix which considers the level of concern to external stakeholders and potential impact on our business.

7 Material factors

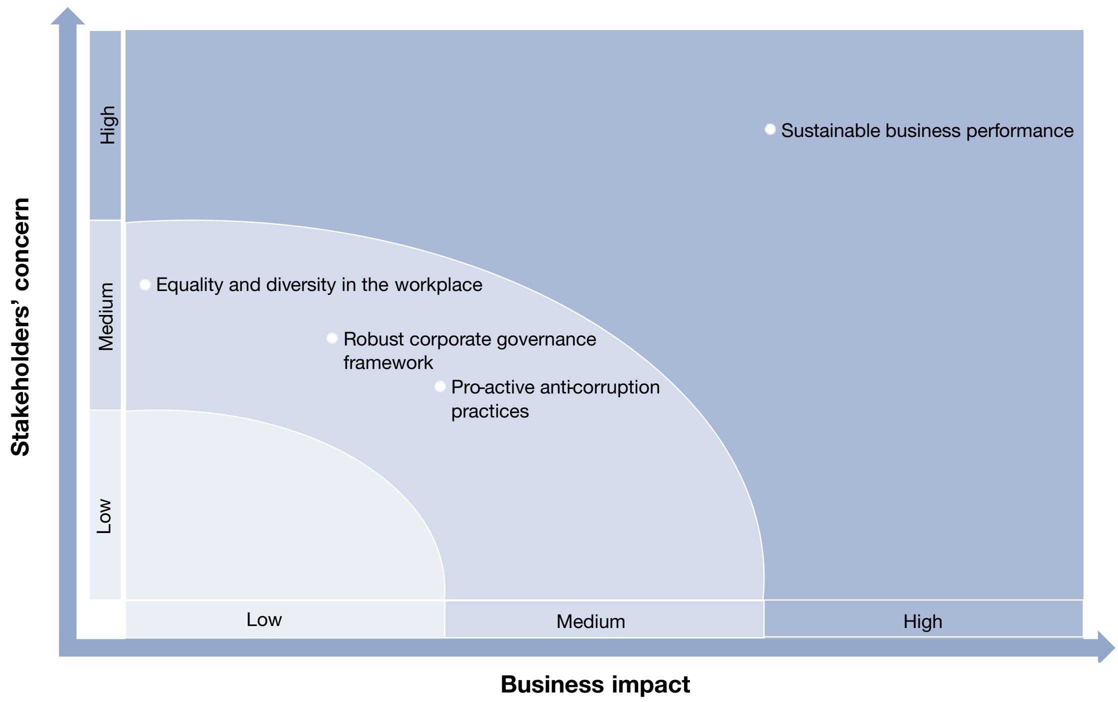
Our materiality assessment performed for FY2018 involved the Senior Management in identifying sustainability factors deemed material to our businesses and stakeholders so as to allow us to channel our resources judiciously to create sustainability value for our stakeholders.

Presented below are a list of key sustainability factors applicable to our Group:

List of material sustainability factors

S/N	Material factor	Key stakeholder	Reporting priority
Economic			
1	Sustainable business performance	Shareholder	**I**
2	Proactive anti-corruption practices	Shareholder, regulator	**II**
Social			
3	Equality and diversity in the workplace	Employee	**II**
Governance			
4	Robust corporate governance framework	Shareholder, regulator	**II**

Material factor matrix



We will update the material factors on an annual basis to reflect changes in business operations, environment, stakeholder's 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.

Since FY2015, we began to diversify our business into (i) property development and management ("property business") and (ii) hospitality-related services ("hospitality business"). As at 31 December 2018, we have three projects under development in Da Nang (2 projects) and Hoi An (1 project) of Vietnam. These projects are estimated to generate revenue commencing from the first half of FY2020.

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 of Directors
- 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.

Moving forward, we are committed to focus on the property and hospitality businesses and may capitalise on other business opportunities when they arise.

7.2 Proactive anti-corruption practices

We are committed to carry out business with integrity by avoiding corruption in any form, including bribery, and complying with the Prevention of Corruption Act of Singapore. We believe proactive anti-corruption practices could improve business continuity through building a healthy environment that is delivered with integrity and in line with our responsible business practices.

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 to reflect the culture of the business.

During the reporting period, no serious offence was reported[1] (FY2017: zero).

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 2018, we have 11 employees (FY2017: 9).

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

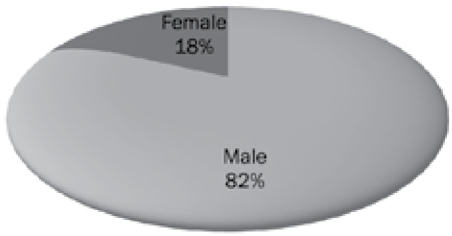
- A human resource policy is in place to select employees based on merit and competency
- For staff recruitment, advertisements do not include age, race, gender nor religion preferences
- Employee handbook and a code of conduct are in place to disseminate corporate culture

On gender diversity, the percentage of female to total full-time employees is 18% (FY2017: 11%) as at 31 December 2018.

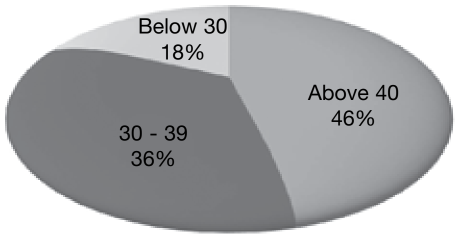
On age diversity, matured workers are valued for their experience knowledge and skills. As at 31 December 2018, 46% (FY2017: 67%) of our workforce is at least 40 years old.

On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. As at 31 December 2018, the ratio of employees with tertiary versus non-tertiary education is 64:36% (FY2017: 56: 44%).

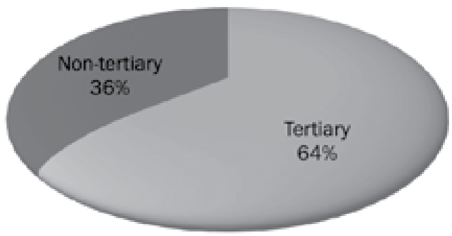
Gender diversity



Age diversity



Educational diversity



[1] A serious offence is defined as one that involves fraud or dishonesty amounting to not less than SGD 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.

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 maximizing long term shareholder value.

Our overall Singapore Governance and Transparency Index ("SGTI") score assessed by National University of Singapore Business School was 31 for FY2018 (FY2017: 53). 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.

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. Target setting

For our material factors identified, we have set qualitative targets for FY2019 as follows:

S/N	Material factor	Target for FY2019
1	Sustainable business performance	Improve our financial performance
2	Proactive anti-corruption practices	Maintain zero incident of corruption
3	Equality and diversity in the workplace	Moving towards a more balanced gender, age and educational diversity ratio
4	Robust corporate governance framework	Improve our SGTI score

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102-16	Values, principles, standards, and norms of behaviour	▪ Corporate Governance Report ▪ Sustainability Report > Material Factors > Robust Corporate Governance Framework	8 - 24 30
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102-18	Governance structure of the organization	Corporate Governance Report	8 - 24

General standard disclosure		Section reference	Page
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102-40	List of stakeholder groups	Sustainability Report > Stakeholder Engagement	25
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	25
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement	25
102-44	Key topics and concerns raised	Sustainability Report > Stakeholder Engagement	25
Reporting practice			
102-45	Entities included in the consolidated financial statements	▪ Corporate Structure ▪ Notes to Financial Statements > Subsidiaries	7 81 - 87
102-46	Defining report content and topic Boundaries	Sustainability Report > Sustainability Reporting Processes	26
102-47	List of material topics	Sustainability Report > Material Factors	27 - 28
102-48	Restatements of information	None	-
102-49	Changes in reporting	Sustainability factors added: ▪ Equality and Diversity in the Workplace	29
102-50	Reporting period	Sustainability Report > Reporting Period	25
102-51	Date of most recent report	Annual Report 2017 > Sustainability Report	-
102-52	Reporting cycle	Sustainability Report > Reporting Period	25
Reporting practice			
102-53	Contact point for questions regarding the report	Sustainability Report > Feedback	25
102-54	Claims of reporting in accordance with the GRI Standards and GRI content index	▪ Sustainability Report > Reporting Framework ▪ Sustainability Report > GRI Content Index	25 30 - 33
102-55	GRI content index	Sustainability Report > GRI Content Index	30 - 33
102-56	External assurance	We may seek external assurance in the future	-
Management approach			
103-1	Explanation of the material topic and its Boundary	Sustainability Report > Material Factors	27 - 28
103-2	The management approach and its components	▪ Sustainability Report > Board Statement ▪ Sustainability Report > Policy, Practice and Performance Reporting	25 26 - 27
103-3	Evaluation of management approach	Sustainability Report > Material Factors	27 - 30

General standard disclosure		Section reference	Page
Category: Economic			
201-1	Direct economic value generated and distributed	▪ Sustainability Report > Material Factors > Sustainable Business Performance ▪ Statements of Financial Position ▪ Consolidated Statement of Profit or Loss and Other Comprehensive Income	28 39 40
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report > Material Factors > Proactive Anti-Corruption Practices	29
Category: Social			
405-1	Diversity of governance bodies and employees	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	29

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2018.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 41 to 108 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Chin Bay Ching
Chin Rui Xiang
Gersom G Vetuz
Loh Eu Tse Derek
Wong Loke Tan

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings in the name of director		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company (Ordinary shares)				
Chin Bay Ching	82,942,256	82,942,256	1,161,662,875	1,161,662,875
Gersom G Vetuz	2,200,000	2,200,000	–	–

By virtue of Section 7 of the Singapore Companies Act, Chin Bay Ching is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company as at January 21, 2019 were the same as at December 31, 2018.

4 SHARE OPTIONS AND WARRANTS

(a) *Options to take up unissued shares*

The Company held an Extraordinary General Meeting on April 30, 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 December 31, 2017 and there are no options of New Scheme granted as at December 31, 2018.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT COMMITTEE

The Audit Committee 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 Audit Committee has met two times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external 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 external auditors;

(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 external 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 external auditors; and

(g) The re-appointment of the external auditors of the Group.

The Audit Committee 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 external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....

Chin Bay Ching

....

Gersom G Vetuz

April 15, 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Adventus Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 41 to 108.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity 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 December 31, 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters	Our audit performed and responses thereon
Capitalisation of expenses for Vietnam projects On January 9, 2017, the Group signed an agreement with a property development company, a third party, in Vietnam to set up Regis Bay Vietnam Investment Joint-Stock Company ("Regis Bay") to invest in real estate projects in Vietnam. On January 5, 2018, the Group signed an agreement with a property development company, a third party, in Vietnam to operate Hoi An Pearl Joint Stock Company ("HAP") and to develop a resort on a piece of land in Hoi An, Vietnam. As at end of the financial year, the development of the abovementioned projects are underway. 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 as disclosed in Note 15. This is assessed as a key audit matter as the projects are the significant activities of the Group during the year and represent 50% of the total assets of the Group as at December 31, 2018. In addition, the capitalisation of the project expenses in accordance with SFRS(I) 1-16 *Property, Plant and Equipment* involves management's judgement.	We performed the following procedures, amongst others: 1. Obtained an understanding and assessed the design and implementation of the relevant controls surrounding the accounting treatment of the capitalisation of project expenses; 2. Challenged the reasonableness, the basis and assumptions used in management's assessment on the accounting treatment of the project expenses capitalised during the year; and 3. Performed substantive testing on the project expenses capitalised as property, plant and equipment on sampling basis.
Control over Hoi An Pearl Joint Stock Company and joint control over AP NHS Joint Stock Company On January 5, 2018, the Group signed an agreement with a property development company, a third party, in Vietnam to operate Hoi An Pearl Joint Stock Company ("HAP") and to develop a resort on a piece of land in Hoi An, Vietnam. A loan agreement was further signed by the same parties on the same date. On April 19, 2018, the Group signed an agreement with a property development company, a third party, in Vietnam, to acquire a land in Da Nang, Vietnam and to develop a residential apartment on the piece of land through the newly-incorporated AP NHS Danang Joint Stock Company ("AP NHS"). A loan agreement was further signed by the same parties on the same date. The Group, through its subsidiaries, will be investing in these entities in the form of loans. See Notes 12 and 13 for further details. Management is of the view that whilst the Group does not hold any equity interests in HAP and AP NHS, it has established control over HAP and joint control over AP NHS on the basis as disclosed in Notes 12 and 13 respectively. Accordingly, HAP has been accounted for as a subsidiary while AP NHS has been accounted for as a joint venture of the Group. This is assessed as a key audit matter as management is required to exercise judgement in determining whether the Group has control or joint control over these entities under the relevant accounting standards.	We performed the following procedures, amongst others: 1. Discussed with management to understand the terms, conditions and commercial substance of the arrangements and agreements; 2. Read the joint venture agreements, other related contractual agreements (including the loan agreements) and relevant supporting documents for clauses that may possibly restrict the Group's ability to control HAP's key operating and financial policies and jointly control the relevant activities of AP NHS; and 3. Challenged management's judgements as to whether the Group exercises control over HAP and joint control over AP NHS. We have also checked the adequacy of the relevant disclosures as disclosed in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) 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.

(e) 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.

(f) 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 partner on the audit resulting in this independent auditor's report is Ms Lim Bee Hui.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

April 15, 2019

STATEMENTS OF **FINANCIAL POSITION**

December 31, 2018

	Note	Group			Company		
		December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
		$	$	$	$	$	$
ASSETS							
Current assets							
Cash and cash equivalents	6	999,790	9,938,057	11,831,713	129,667	5,766,145	9,276,139
Trade receivables	7	–	–	334,414	–	–	–
Other receivables and prepayments	8	7,302,723	389,911	7,410,890	20,778,022	15,591,232	9,233,220
Prepaid leases	9	54,714	–	–	–	–	–
Inventories	10	–	–	465,941	–	–	–
		8,357,227	10,327,968	20,042,958	20,907,689	21,357,377	18,509,359
Assets classified as held for sale	11	–	–	5,643,552	–	–	–
Total current assets		8,357,227	10,327,968	25,686,510	20,907,689	21,357,377	18,509,359
Non-current assets							
Other receivables and prepayments	8	5,825,373	–	–	–	–	–
Prepaid leases	9	1,728,043	–	–	–	–	–
Subsidiaries	12	–	–	–	752	752	1,121,741
Joint venture	13	3,037,483	–	–	–	–	–
Goodwill	14	–	–	–	–	–	–
Property, plant and equipment	15	18,962,068	12,101,097	2,840,155	39,461	11,368	3,811
Deferred tax assets	19	173,621	173,621	–	–	–	–
Total non-current assets		29,726,588	12,274,718	2,840,155	40,213	12,120	1,125,552
Total assets		38,083,815	22,602,686	28,526,665	20,947,902	21,369,497	19,634,911
LIABILITIES AND EQUITY							
Current liabilities							
Interest-bearing loan	16	–	–	72,450	–	–	–
Trade payables	17	9,482	62,070	191,110	–	–	–
Other payables	18	11,422,334	372,206	1,125,055	3,213,275	2,192,167	490,215
		11,431,816	434,276	1,388,615	3,213,275	2,192,167	490,215
Liabilities directly associated with assets classified as held for sale	11	–	–	109,953	–	–	–
Total current liabilities		11,431,816	434,276	1,498,568	3,213,275	2,192,167	490,215
Non-current liabilities							
Interest-bearing loan	16	–	–	942,866	–	–	–
Other payables	18	92,831	79,338	6,771	–	–	–
Deferred tax liabilities	19	–	–	210,530	–	–	–
Total non-current liabilities		92,831	79,338	1,160,167	–	–	–
Capital and reserves							
Share capital	20a	52,411,370	52,411,370	52,411,370	52,411,370	52,411,370	52,411,370
Statutory reserve		119,135	119,135	119,135	–	–	–
Translation reserve		(603,148)	(543,451)	–	–	–	–
Share options reserve		–	–	26,845	–	–	26,845
Accumulated losses		(31,997,334)	(31,389,587)	(27,144,318)	(34,676,743)	(33,234,040)	(33,293,519)
Net equity attributable to owners of the Company		19,930,023	20,597,467	25,413,032	17,734,627	19,177,330	19,144,696
Other reserves	20b	(3,806,173)	–	–	–	–	–
Non-controlling interests		10,435,318	1,491,605	454,898	–	–	–
Total equity		26,559,168	22,089,072	25,867,930	17,734,627	19,177,330	19,144,696
Total liabilities and equity		38,083,815	22,602,686	28,526,665	20,947,902	21,369,497	19,634,911

See accompanying notes to financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended December 31, 2018

	Note	Group 2018	Group 2017
		$	$
Continuing operations:			
Revenue	21	–	–
Cost of sales		–	–
Gross profit		–	–
Other income	22	648,956	55,681
Other expense	23	–	(1,012,027)
Administrative expenses		(1,428,804)	(1,750,413)
Finance costs	24	(3,495)	–
Loss before income tax		(783,343)	(2,706,759)
Income tax (expense) / credit	25	(2,495)	166,450
Loss for the year from continuing operations		(785,838)	(2,540,309)
Discontinued operations:			
Loss for the year from discontinued operations	27	–	(1,993,044)
Loss for the year	26	(785,838)	(4,533,353)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, representing other comprehensive income, net of tax		(161,330)	(662,245)
Total comprehensive loss for the year		(947,168)	(5,195,598)
Loss for the year attributable to:			
Owners of Company		(607,747)	(4,272,114)
Non-controlling interests		(178,091)	(261,239)
		(785,838)	(4,533,353)
Total comprehensive loss attributable to:			
Owners of Company		(667,444)	(4,815,565)
Non-controlling interests		(279,724)	(380,033)
		(947,168)	(5,195,598)
Loss per share			
- basic and diluted	28	(0.03) cents	(0.22) cents

See accompanying notes to financial statements

	Share capital	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total
	$	$	$	$	$	$	$	$
Group								
Balance at January 1, 2017, as previously stated	52,411,370	119,135	374,602	26,845	(27,518,920)	25,413,032	454,898	25,867,930
Adoption of the SFRS(I) (Note 33)	–	–	(374,602)	–	374,602	–	–	–
Balance at January 1, 2017, as adjusted	52,411,370	119,135	–	26,845	(27,144,318)	25,413,032	454,898	25,867,930
Total comprehensive loss for the year								
Loss for the year	–	–	–	–	(4,272,114)	(4,272,114)	(261,239)	(4,533,353)
Other comprehensive loss for the year	–	–	(543,451)	–	–	(543,451)	(118,794)	(662,245)
Total	–	–	(543,451)	–	(4,272,114)	(4,815,565)	(380,033)	(5,195,598)
Transactions with owners, recognised directly in equity								
Disposal of subsidiaries (Note 27)	–	–	–	–	–	–	1,239,340	1,239,340
Dividend declared to non-controlling interests	–	–	–	–	–	–	(1,000,000)	(1,000,000)
Non-controlling interest arising from incorporation of a subsidiary	–	–	–	–	–	–	1,177,400	1,177,400
Lapse of share options (Note 29)	–	–	–	(26,845)	26,845	–	–	–
Total	–	–	–	(26,845)	26,845	–	1,416,740	1,416,740
Balance at December 31, 2017, as adjusted	52,411,370	119,135	(543,451)	–	(31,389,587)	20,597,467	1,491,605	22,089,072

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2018

	Share capital	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Equity attributable to owners of the Company	Other reserves	Non-controlling interests	Total
	$	$	$	$	$	$	$	$	$
Group (cont'd)									
Balance at January 1, 2018	52,411,370	119,135	(543,451)	–	(31,389,587)	20,597,467	–	1,491,605	22,089,072
Total comprehensive loss for the year									
Loss for the year	–	–	–	–	(607,747)	(607,747)	–	(178,091)	(785,838)
Other comprehensive loss for the year	–	–	(59,697)	–	–	(59,697)	–	(101,633)	(161,330)
Total	–	–	(59,697)	–	(607,747)	(667,444)	–	(279,724)	(947,168)
Transactions with owners, recognised directly in equity									
Obligation to acquire equity interests in subsidiary	–	–	–	–	–	–	(3,806,173)	–	(3,806,173)
Non-controlling interest arising from incorporation/acquisition of subsidiaries							–	9,223,437	9,223,437
Total	–	–	–	–	–	–	(3,806,173)	9,223,437	5,417,264
Balance at December 31, 2018	52,411,370	119,135	(603,148)	–	(31,997,334)	19,930,023	(3,806,173)	10,435,318	26,559,168

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2018

	Share capital	Share options reserve	Accumulated losses	Total
	$	$	$	$
Company				
Balance at January 1, 2017	52,411,370	26,845	(33,293,519)	19,144,696
Profit for the year, representing total comprehensive income for the year	–	–	32,634	32,634
Lapse of share options, representing transaction with owners, recognised directly in equity (Note 29)	–	(26,845)	26,845	–
Balance at December 31, 2017	52,411,370	–	(33,234,040)	19,177,330
Loss for the year, representing total comprehensive loss for the year	–	–	(1,442,703)	(1,442,703)
Balance at December 31, 2018	52,411,370	–	(34,676,743)	17,734,627

See accompanying notes to financial statements

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Financial year ended December 31, 2018

	Group	
	2018	2017
	$	$
Operating activities		
Loss before income tax	(783,343)	(4,704,816)
Adjustments for:		
Foreign exchange (gain) loss, net	(118,989)	312,335
Loss allowance	–	2,237,977
Depreciation of property, plant and equipment	5,486	98,538
Gain on disposal of subsidiary (Note 27)	–	(545,697)
Interest expense	3,495	33,036
Interest income	(429,717)	(20,430)
Operating cash flows before movements in working capital	(1,323,068)	(2,589,057)
Trade receivables	–	(113,922)
Other receivables	(69,156)	9,697,615
Inventories	–	3,642
Trade payables	(52,588)	521,226
Other payables	3,689,052	2,055,038
Cash generated from operations	2,244,240	9,574,542
Income taxes paid	(2,495)	(7,171)
Net cash from operating activities	2,241,745	9,567,371
Investing activities		
Acquisition of property, plant and equipment	(5,985,863)	(12,212,607)
Prepaid leases	(1,782,757)	–
Prepayment for acquisition of property, plant and equipment	(5,825,373)	–
Interest received	429,717	20,430
Loan receivables from non-controlling interests	(3,037,483)	–
Proceeds from disposal of subsidiary (Note 27)	–	798,957
Net cash used in investing activities	(16,201,759)	(11,393,220)

See accompanying notes to financial statements

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Financial year ended December 31, 2018

	Group	
	2018	2017
	$	$
Financing activities		
Loan from non-controlling shareholders	13,493	79,338
Interest paid	–	(33,036)
Loan from director	500,000	–
Repayment of bank loan	–	(35,958)
Contributions from non-controlling interests for acquisition of assets (Note A)	5,417,264	1,177,400
Dividend paid to non-controlling interests	–	(1,000,000)
Net cash from financing activities	5,930,757	187,744
Net decrease in cash and cash equivalents	(8,029,257)	(1,638,105)
Cash and cash equivalents at beginning of year	9,938,057	11,831,713
Cash and cash equivalents previously classified as assets held for sale	–	462,109
Net effect of exchange rate changes on cash and cash equivalents	(909,010)	(717,660)
Cash and cash equivalents at end of year (Note 6)	999,790	9,938,057

Note A:

The loans to an outside party of $3,806,173 has been offset against the contributions from non-controlling interests for acquisition of assets as the loans are used to fund the non-controlling interests to acquire shares in the subsidiary or to purchase land use right for the Vietnam projects.

See accompanying notes to financial statements

1 GENERAL

The Company (Registration No. 200301072R) is incorporated in the Republic of Singapore with its principal place of business and registered office at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries and joint venture are disclosed in Notes 12 and 13 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2018 were authorised for issue by the Board of Directors on April 15, 2019.

For all periods up to and including the year ended December 31, 2017, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended December 31, 2018 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first-time adoption of SFRS(I) are included in Note 33.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SFRS(I) ISSUED BUT NOT YET EFFECTIVE – At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective.

- SFRS(I) 16 *Leases*[1]
- Annual Improvements to SFRS(I)s 2015-2017 Cycle[1]
- Amendments to SFRS(I) 10 *Consolidated Financial Statements*[2]
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*[1]

1 Applies to annual periods beginning on or after January 1, 2019
2 Deferred indefinitely

The management anticipates that the adoption of the above SFRS(I), SFRS(I) INTs and Amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

SFRS(I) 16 *Leases*

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the existing framework.

As at December 31, 2018, the Group has non-cancellable operating lease commitments of $45,100, as disclosed in Note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SFRS(I) 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 1-12 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date - and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Accounting policy prior to January 1, 2018

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, if the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Accounting policy after January 1, 2018

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of financial assets:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debts investment that meets the amortised cost of FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount if the debt instrument on initial recognition. For purchased or originated credited-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are dominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit and loss in the "other income" or "other expense" line item; and
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit and loss in the "other income" or "other expense" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investment in debt instruments that are measured at amortised cost or at FVTOCI, as well as on loan commitments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognise lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For all other financial instruments, the Group recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instruments at an amount equal to 12 month (12m) ECL. The assessment of whether lifetime ECL should be recognised is based on significant increased in the likelihood or risk of default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instruments that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Definition of default

The Group considers the following as constituting an event for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtors is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event;
(c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(d) the disappearance of an active market for that financial asset because of financial difficulties.

Write off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income" or "other expense" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangement

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases (net of any incentive received from lessor) are charged to profit or loss on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NON-CURRENT ASSETS HELD FOR SALE - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

PROPERTY, PLANT AND EQUIPMENT - 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 Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets less residual value, other than properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and building	–	over the lease term of 25 years
Furniture and fittings	–	3 to 10 years
Office equipment	–	3 to 5 years
Renovation	–	3 to 5 years
Motor vehicles	–	3 to 5 years
Plant and machinery	–	5 to 10 years
Tools and equipment	–	10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

JOINT VENTURE - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 29. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

In the current financial year, no revenue generating activities has commenced and no contracts has been entered into by the Group as at end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In 2017, the Group discontinued its Advanced Materials & Solutions segment which primarily is involved in (i) the distribution and provision of printing equipment and printing solutions; (ii) the distribution and manufacturing of sputtering targets; and (iii) the manufacturing and trading of energy-efficient equipment and apparatus as well as the provision of related services.

Sale of goods – Sputtering targets and printing equipment

For sale of goods, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

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.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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 end of the reporting period.

GOVERNMENT GRANTS - Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised directly outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

DISCONTINUED OPERATIONS - A discontinued operation represents a component of the Group that has either been disposed or classified as held for sale, represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

The results of the discontinued operation are presented separately in the consolidated statement of profit or loss and other comprehensive income from other continuing operations.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of exchange translation reserve.

On the disposal of a foreign operation i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

STATUTORY RESERVE - In accordance with PRC regulations, the PRC subsidiary 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.

CASH AND BANK BALANCES IN THE STATEMENT OF CASH FLOWS – Cash and cash balances in the statement of cash flows comprise cash on hand and deposits that are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(a) Critical judgements in applying the Group's accounting policies

The following sets out the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the financial statements.

(i) *Control over Regis Bay Vietnam Investment Joint-Stock Company ("Regis Bay"), Hoi An Pearl Joint Stock Company ("HAP") and joint control over AP NHS Da Nang Joint Stock Company ("AP NHS")*

Note 12 describes that Regis Bay and HAP are subsidiaries of the Group in 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 12, management is of the view that it has control over these entities. Accordingly, the result of these entities have been consolidated in the Group's financial statements.

Note 13 describes that AP NHS as joint venture of the Group in 2018 even though the Group has no equity interests in these entities. Management has assessed and is of the view that the Group has joint control over AP NHS together with the other shareholders on the basis reflected in Note 13 to the financial statements.

(ii) Capitalisation of project costs

During the year, there is no revenue generated as construction for the various projects is underway. As described in Note 2, 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 15) in accordance with SFRS(I) 1-16 *Property, plant and equipment*.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

(i) *Calculation of loss allowance*

When measuring ECL, the Group and 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 trade and other receivables have been disclosed in Notes 7 and 8 respectively.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(ii) *Impairment of property, plant and equipment*

The Group and Company assess annually whether property, plant and equipment 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. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Management is of the view that there is no impairment at the end of the reporting period. The carrying amounts of property, plant and equipment of the Group and Company at the end of the reporting period are disclosed in Note 15 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a 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. Pursuant to the relevant laws and regulations in the PRC applicable to foreign investment enterprises and the Articles of Association of the PRC subsidiary, the subsidiary is required to maintain a statutory surplus reserve fund. Appropriations to these funds are made out of net profit after taxation as reported in the PRC statutory financial statements of the subsidiary.

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.

(b) Categories of financial instruments

The following table sets out the financial instruments at the end of the reporting period:

	Group			Company		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
Financial assets						
Amortised cost (including cash and cash balances)	8,277,257	9,948,348	19,490,159	20,892,607	21,345,711	18,494,247
Financial liabilities						
Financial liabilities at amortised cost	11,524,647	513,614	2,313,056	3,213,275	2,192,167	490,215

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and Company do not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

(d) Financial risk management policies and objectives

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.

(i) Foreign exchange risk management

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:

Group

	Assets			Liabilities		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
United States dollar	44,968,344	36,664,981	370,639	(27,002,188)	(31,431,370)	(7,069,351)
Singapore dollar	2,281,094	1,844,362	1,526,335	(5,449,691)	(8,031)	(9,141,020)
Vietnamese Dong	–	–	–	(6,843,656)	–	–

Company

	Assets			Liabilities		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
United States dollar	20,507,345	16,696,408	43,429	–	–	–

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

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 functional currency strengthen/weaken by 10% against the relevant currencies of the group entities, the loss before income tax will increase/decrease by:

	Group		Company	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	$	$	$	$
Impact to profit or loss				
United States dollar	1,796,616	523,361	2,050,735	1,669,641
Singapore dollar	(316,860)	183,633	–	–
Vietnamese Dong	(684,366)	–	–	–

(ii) *Interest rate risk management*

In respect of interest bearing financial assets and financial liabilities, their effective interest rate is disclosed in Notes 8, 16 and 18 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 reporting 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 year ended December 31, 2018 would increase/decrease by $19,031 (December 31, 2017: $Nil).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Financial risk management policies and objectives (cont'd)

(iii) *Credit risk management*

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

In order to minimise the credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit worthiness of customers is reviewed by management regularly. Appropriate credit checks are performed for new customers, as well as for regular customers on a regular basis. 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.

Before adoption of SFRS 9(I) as at January 1, 2018

As at January 1, 2017, the Group had concentration of credit risk with an unrelated party which represented 95% of total receivables. However, management was of the opinion that this did not expose the Group to further credit risk as the unrelated party was creditworthy. In 2017, the Group disposed the subsidiary (Note 27) and accordingly, there is no further concentration of credit risk.

After adoption of SFRS 9(I) as at January 1, 2018

As at December 31, 2018, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group is exposed to concentration of credit risk at December 31, 2018 on loan receivables from a third party, Panthera Company Limited ("Panthera"), amounting to $6,843,656, which accounted for 83% 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

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Financial risk management policies and objectives (cont'd)

(iii) *Credit risk management (cont'd)*

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Group				$	$	$
December 31, 2018						
Trade receivables	7	(i)	Lifetime ECL (Simplified approach)	–	–	–
Other receivables	8	Performing	12m ECL	7,277,467	–	7,277,467
					–	
Company						
December 31, 2018						
Trade receivables	7	(i)	Lifetime ECL (Simplified approach)	495,166	(495,166)	–
Other receivables	8	Performing	12m ECL	20,778,022	–	20,778,022
Other receivables	8	In default	Lifetime ECL	304,180	(304,180)	–
					(799,346)	

(i) For trade receivables, the Group and Company have applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status.

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 reporting date.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Financial risk management policies and objectives (cont'd)

(iv) *Liquidity risk management*

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.

The Group places its cash with reputable financial institutions.

As at December 31, 2018, the Group has net current liabilities of $3,074,589 (2017 : net current assets of $9,893,692) and suffered a loss for the year of $785,838. (2017: $4,533,353).

Management is of the view that the Group will be able to operate as going concern on the following grounds:

(a) Ability of the Group to continue to generate sufficient cash flows from its future operations in order to meet its day-to-day expenditure; and

(b) As at the date of the report, the Group has also secured external bank loans of approximately US$37,000,000 to finance the construction of its projects.

Non-derivative financial assets

All non-derivative financial assets of the Group and Company are non-interest bearing, current and due within one year except for fixed deposits and loan receivables from an outside party as disclosed in Notes 6 and 8 to the financial statements respectively.

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. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statement of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Financial risk management policies and objectives (cont'd)

(iv) *Liquidity risk management (cont'd)*

	Weighted average effective interest rate	On demand or less than 1 year	Between 1 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
Group						
December 31, 2018						
Financial liabilities						
Non-interest bearing	–	11,431,816	–	–	–	11,431,816
Fixed interest rate	15	–	117,199	–	(24,368)	92,831
Total		11,431,816	117,199	–	(24,368)	11,524,647
December 31, 2017						
Financial liabilities						
Non-interest bearing	–	434,276	–	–	–	434,276
Fixed interest rate	15	–	112,065	–	(32,727)	79,338
Total		434,276	112,065	–	(32,727)	513,614
January 1, 2017						
Financial liabilities						
Non-interest bearing	–	1,240,969	6,771	–	–	1,247,740
Fixed interest rate	5.0	52,500	–	–	(2,500)	50,000
Variable interest rate	5.4	133,452	533,808	811,833	(463,777)	1,015,316
Total		1,426,921	540,579	811,833	(466,277)	2,313,056

The maximum amount the Company could be forced to settle under the financial guarantee contract, if the full guaranteed amount is claimed by the counterparty to the guarantee is $Nil (December 31, 2017 : $Nil; January 1, 2017: $1,015,316). Based on expectations as at January 1, 2017, the Company considered that it was more likely than not that no amount would be payable under the arrangement. This estimate was unlikely to change as the loan was fully secured against an underlying property. The earliest period that the guarantee could be called was within 1 year from January 1, 2017.

(v) *Fair value of financial assets and financial liabilities*

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their fair values due to the relatively short-term maturity of these financial instruments with the exception of bank loan and loan from non-controlling interests as disclosed in Notes 16 and 18 respectively.

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in the financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the Group entered into the following transactions with related parties:

	Group	
	2018	2017
	$	$
Transactions		
Loan from director	500,000	–
Interest payable by subsidiaries to subsidiaries' directors	–	5,639
Sale of subsidiaries to a key management personnel	–	(1,386,000)

Compensation of directors and key management personnel

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

	Group	
	2018	2017
	$	$
Short term benefits	770,723	567,769
Post employment benefits	33,502	25,445
	804,225	593,214

6 CASH AND CASH EQUIVALENTS

	Group			Company		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
Cash on hand	1,112	728	4,000	1,000	35	–
Cash at banks	998,678	9,902,007	11,827,713	128,667	5,766,110	9,276,139
Fixed deposits	–	35,322	–	–	–	–
	999,790	9,938,057	11,831,713	129,667	5,766,145	9,276,139

Cash and cash equivalents comprise cash on hand, cash at bank, and short-term bank deposits with an original maturity of one year or less.

In 2017, the fixed deposits bear effective interest rates of 3.1% per annum and is for tenure of three months.

7 TRADE RECEIVABLES

	Group			Company		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
Outside parties	–	–	368,057	495,166	495,166	–
Loss allowance	–	–	(33,643)	(495,166)	(495,166)	–
	–	–	334,414	–	–	–
Subsidiary (Note 12)	–	–	–	–	–	495,166
Loss allowance	–	–	–	–	–	(495,166)
	–	–	334,414	–	–	–

The average credit period on sale of goods is 30 to 90 days (December 31, 2017 and January 1, 2017: 30 days to 90 days). No interest is charged on the trade receivables for the outstanding balance. 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 reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Before accepting any new customer, the Group assesses the potential customers' credit quality and defines credit limits by customer. Limits and credit quality attributed to customers are reviewed periodically. The trade receivables that are neither past due nor impaired belong to customers that have been making regular payments and are still considered recoverable.

7 TRADE RECEIVABLES (cont'd)

Disclosures relating to trade receivables as at December 31, 2017 and January 1, 2017

Prior to January 1, 2018, the Group recognised the allowance for certain trade receivables which has been past due and considered as doubtful debts or irrecoverable by the management.

As at January 1, 2017, the Group's trade receivables balance included debtors with a carrying amount of $57,535 which were past due at the reporting date for which the Group had not provided as there had not been a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral over these balances. Such receivables were less than 3 months past due. As at December 31, 2017, there were no trade receivables balance which were past due at the reporting date.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, management believes that there was no further provision required in excess of the allowance for doubtful debts.

Movements in allowances for doubtful debts

	Group		Company	
	December 31, 2017	January 1, 2017	December 31, 2017	January 1, 2017
	$	$	$	$
Balance at beginning of year	33,643	20,948	495,166	495,166
Disposal of subsidiaries (Note 27)	(33,643)	–	–	–
Charge to profit or loss	–	12,695	–	–
Balance at end of year	–	33,643	495,166	495,166

Disclosures relating to trade receivables as at December 31, 2018

Starting from January 1, 2018, the Group applied simplified approach to provide the expected credit losses prescribed by SFRS(I) 9. The impairment methodology is set out in Note 4(d)(iii).

As part of the Group's credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Details of the credit risk assessment are included in Note 4(d)(iii).

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – not credit impaired			
	Collectively assessed	Individually assessed	Lifetime ECL - credit impaired	Total
Company	$	$	$	$
Balance as at December 31, 2018	–	–	495,166	495,166
Expected credit loss rate	–	–	100%	–
Loss allowance	–	–	495,166	495,166

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group			Company		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	
Current:						
Prepayments	25,256	379,620	86,858	15,082	11,666	15,112
Amount due from subsidiaries (Note 13)	–	–	–	20,972,396	15,872,803	11,336,396
Loss allowance	–	–	–	(298,156)	(298,037)	(2,123,088)
	–	–	–	20,674,240	15,574,766	9,213,308
Deposits	8,700	8,331	108,410	8,700	4,800	47,307
Loss allowance	–	–	(42,507)	–	–	(42,507)
	8,700	8,331	65,903	8,700	4,800	4,800
Other receivables	425,111	1,960	7,299,418	86,024	6,024	41,289
Loan receivables from non-controlling interest[(1)(2)]	6,843,656	–	–	–	–	–
Loss allowances	–	–	(41,289)	(6,024)	(6,024)	(41,289)
	7,268,767	1,960	7,258,129	80,000	–	–
	7,302,723	389,911	7,410,890	20,778,022	15,591,232	9,233,220
Non-current:						
Advances to contractors	5,825,373	–	–	–	–	–

(1) During the financial year, one of the Group's wholly-owned subsidiaries, ADV S2 Pte. Ltd., invests in HAP in the form of a loan with an outside party. A loan agreement was signed on January 5, 2018.

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

- The loan amount shall be VND56.1 billion (S$3.8 million).
- The term of the loan shall be 9 months from the disbursement date (January 8, 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.

(2) During the financial year, one of the Group's wholly-owned subsidiaries, ADV S3 Pte. Ltd., invests in AP NHS in the form of a loan with an outside party. The purpose of AP NHS is to hold and develop project land into a residential apartment project. A loan agreement was signed on April 19, 2018.

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

- The loan amount shall be VND50.715 billion (S$3.0 million).
- The term of the loan shall be 360 days from the disbursement date (March 28, 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.

8 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

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 reporting date. Management is of the view the credit risk on the amount due from subsidiaries 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.

Disclosures relating to other receivables as at December 31, 2017 and January 1, 2017

Prior to January 1, 2018, the Group recognised the allowance for certain other receivables which has been past due and considered as doubtful debts or irrecoverable by the management.

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. Accordingly, management believes that there is no further provision required in excess of the allowance for doubtful debts as the remaining receivables are neither past due nor impaired.

Movements in allowances for doubtful debts

	Group		Company	
	December 31, 2017	January 1, 2017	December 31, 2017	January 1, 2017
	$	$	$	$
Balance at beginning of year	83,796	82,844	2,206,884	2,192,206
Written off	(83,796)	–	(1,908,982)	–
Charge to profit or loss	–	952	6,159	14,678
Balance at end of year	–	83,796	304,061	2,206,884

Disclosures relating to other receivables as at December 31, 2018

Starting from January 1, 2018, the Group applied the expected credit losses model prescribed by SFRS(I) 9. The impairment methodology is set out in Note 4(d)(iii).

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. Details of the credit risk assessment are included in Note 4(d)(iii).

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

	12m ECL – not credit impaired			
	Collectively assessed	Individually assessed	Lifetime ECL - credit impaired	Total
Company	$	$	$	$
Balance as at December 31, 2018	–	–	304,180	304,180
Expected credit loss rate	–	–	100%	–
Loss allowance	–	–	304,180	304,180

The loss allowance provided in current year pertain to foreign exchange losses on the credit impaired other receivables brought forward from December 31, 2017.

Management has assessed and is of the view that the credit risk on the loan receivables from non-controlling interests as at December 31, 2018 is limited.

9 PREPAID LEASES

	Group
Cost	$
Additions during the year and balance at December 31, 2018	1,782,757
Carrying amounts	
At December 31, 2018	1,782,757
At December 31, 2017	–
At January 1, 2017	–

Analysed for reporting purposes as:

	2018
	$
Current asset	54,714
Non-current asset	1,728,043
	1,782,757

Prepaid lease payments represent land use rights located in Vietnam and comprised leasehold land under medium-term lease. The land use rights in Vietnam will be amortised near the lease term of 33 years.

10 INVENTORIES

	Group		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Raw materials	–	–	461,009
Finished goods	–	–	4,932
	–	–	465,941

11 ASSETS CLASSIFIED AS HELD FOR SALE

In 2015, the Group incorporated a new subsidiary - Crimson Star Development Pte Ltd ("CSDPL") in Singapore with a third party for the purpose of managing a property development project in Vietnam. In 2015, two Vietnamese, who are unrelated to the Group also incorporated Vinacon Investment and Development Company Limited ("VID"). The Group was financing the property development project in Vietnam by way of loan through VID.

11 ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

VID and Rubber Real Estate Construction Joint Stock Company ("RRE") entered into a contract to establish a company in Vietnam called Riverview Company Limited ("RCL") in 2015. RCL was incorporated to take over the property project, which was held by RRE, and to complete the construction of the property. RCL also has the rights to manage the development, market, lease or sale of all the units and facilities of the property, and development of the asset for sale and lease for its own profit. At the onset, VID and RRE owned 49% and 51% equity interest in RCL respectively. Both parties agreed that VID shall acquire all of RRE's shares in RCL over a period of twelve months and this acquisition was expected to be completed in 2017. However, with a plan to dispose the project in 2017, the acquisition did not take place.

Whilst the Group did not hold any equity interests in VID and consequently in RCL, management assessed that VID was an extension of CSDPL and established control over VID and RCL as CSDPL has power over VID and RCL, is exposed to variable returns from its involvement with RCL and has the ability to influence its return.

At the same time, VID further entered into a transferrable option agreement with an unrelated party to acquire all of VID's rights, interest and title in the project. Concurrently, CSDPL and the unrelated party entered into option sale agreement where the party agreed:

(i) to sell and transfer all right and obligations of the above option to CSDPL; and

(ii) to provide business services and facilities in Ho Chi Minh City, for a period of ten years from the date of this agreement.

As at December 31, 2015, CSDPL had paid $11,954,977 for the transaction as well as operations during the year.

Prior to December 31, 2015, the Group committed to a plan to dispose and discontinue the operations of VID and RCL to a third party. The assets and liabilities attributable to the property development project, which are expected to be sold in 2017, were classified as held for sale.

<u>Disposal of the property development project in 2016</u>:

On March 23, 2016, VID and the non-controlling interest party of CSDPL entered into a sale and purchase agreement with a buyer to dispose equity interest in RCL for a consideration of US$40 million (equivalent to $55,332,000). Part of a consideration of approximately US$32 million (equivalent to $44,360,675) was directly paid by the buyer for the acquisition of 51% equity interest in RCL and its related expenses, while the remaining cash consideration amounting to approximately US$8 million (equivalent to $10,971,325) will be paid to VID. As at December 31, 2016, the outstanding balance due from the buyer amounting to $4,508,836 had been recorded in other receivables and prepayments classified as asset held for sale.

On the same day, CSDPL also entered into a termination agreement to terminate the option agreement that was previously entered with an unrelated party in 2015. Termination is subject to the fulfilment of the following conditions:

(i) The payment of an amount of US$6 million (equivalent to $8,299,800) by the unrelated party to CSDPL which was fully recovered in 2016; and

(ii) The payment of a further amount of US$6 million (equivalent to $8,299,800) by the unrelated party to CSDPL being compensation for CSDPL giving up its rights to the property development project. As at December 31, 2016, the buyer had undertaken to pay the outstanding balance due from the unrelated party amounting to US$5 million (equivalent to $7,231,500) and this had been recorded in other receivables and prepayments (Note 8). During 2017, the amount had been fully received.

Based on the above, management had derecognised RCL as its subsidiary in 2016 as the disposal of the property development project had been completed. However, management had yet to complete its disposal of VID in 2016 due to outstanding receivables yet to be received from VID. Management is of the view as at December 31, 2016, they retained control of VID on the same bases as determined in 2015. Accordingly, the assets and liabilities of VID remain recorded as assets and associated liabilities held for sale in the statement of financial position.

11 ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

The disposal of VID was subsequently completed in 2017 with full settlement of balances from the unrelated party to VID. However, VID did not repay in full its payable to CSDPL, and accordingly, a loss allowance of $1,722,207 was made in 2017. This had been recorded in "administrative expenses" and presented as part of "Loss for the year from discontinued operations" on the statement of profit or loss and other comprehensive income in 2017.

Carrying amount of net assets disposed:

	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Non-current asset			
Development properties	–	–	55,054,086
Current assets			
Inventories	–	–	70,376
Other receivables	–	5,181,443	15,070,537
Cash and cash equivalent	–	462,109	989,853
Total current assets	–	5,643,552	16,130,766
Current liabilities			
Trade and other payables	–	(6,875,782)	(47,897,154)
Bank loan	–	–	(3,077,669)
Total current liabilities	–	(6,875,782)	(50,974,823)
Net assets derecognised	–	(1,232,230)	20,210,029
Consideration:			
Cash consideration received during the year, net	–	–	7,530,789
Outstanding consideration at year end	–	–	11,740,336
Total consideration	–	–	19,271,125
Gain on disposal			
Consideration	–	–	19,271,125
Non-controlling interests derecognised	–	1,232,230	10,307,115
Development expenditure paid on behalf of RCL by CSDPL in 2015	–	–	(1,068,411)
Net assets derecognised	–	(1,232,230)	(20,210,029)
Gain on disposal	–	–	8,299,800
Net cash inflow arising on disposal			
Cash consideration received during the year	–	–	8,520,642
Cash and cash equivalents disposed off	–	(462,109)	(989,853)
	–	(462,109)	7,530,789

11 ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

The major class of assets and liabilities classified as held for sale as at December 31 as follows:

	Group		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Cash and cash equivalents	–	–	462,109
Other receivables and prepayment	–	–	5,181,443
Total assets classified as held for sale	–	–	5,643,552
Trade and other payables, and total for liabilities	–		
associated with assets classified as held for sale	–	–	(109,953)
Net assets of disposal group	–	–	5,533,599

12 SUBSIDIARIES

	Company		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Unquoted equity shares, at cost	752	752	5,986,097
Less: Impairment losses	–	–	(4,864,356)
	752	752	1,121,741

Movements in impairment losses for subsidiaries

	Company	
	December 31, 2018	December 31, 2017
	$	$
Balance at beginning of year	–	4,864,356
Disposal of subsidiaries (Note 27)	–	(4,864,356)
Balance at the end of year	–	–

The balances with subsidiaries are unsecured, interest free and repayable on demand.

12 SUBSIDIARIES (cont'd)

Details of the Company's significant subsidiaries are as follows:

Name of subsidiary	Place of business and incorporation	Principal activities	Proportion of ownership interest and voting power held		
			December 31, 2018	December 31, 2017	January 1, 2017
			%	%	%
Held by the Company					
Apphia Advanced Materials Pte Ltd	Singapore	Manufacturing of sputtering targets and provision of services for thin film solutions	–	–[(2)]	100[(1)]
Adventus Investments (Vietnam) Pte Ltd [(1)]	Singapore	Investment holding and property development	100	100	100
Crimson Star Development Pte. Ltd. [(1)]	Singapore	Investment holding and property development	65	65	65
Held by subsidiaries					
Micro Screen Production Pte Ltd	Singapore	Trading in printing machines, lithographic supplies and services for silkscreen printing	–	–[(2)]	100[(1)]
ADV S1 Pte Ltd [(1)]	Singapore	Investment holding and property development	100	100	–
ADV S2 Pte Ltd[(1)(4)]	Singapore	Investment holding and property development	100	–	–
ADV S3 Pte Ltd[(1)(4)]	Singapore	Investment holding and property development	100	–	–
ADV V1 Holding Company Limited [(3)]	Vietnam	Investment holding and property development	100	100	–
ADV Management Services Company Limited [(3)]	Vietnam	Management consulting services	100	100	–
AP Land Company Limited [(3) (4)]	Vietnam	Construction management services	51	–	–
Regis Bay Vietnam Investment Joint Stock Company [(3) (5)]	Vietnam	Hotel development	–	–	–
Hoi An Pearl Joint Stock Company [(3) (6)]	Vietnam	Resort development	–	–	–
Vinacon Investment and Development company Limited [(7)]	Vietnam	Property Development	–	–	–

12 SUBSIDIARIES (cont'd)

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Disposed in 2017. Audited in 2017 by Deloitte & Touche LLP, Singapore for purpose of consolidation.

(3) Audited by Deloitte & Touche LLP, Vietnam.

(4) Newly incorporated in current year.

(5) The Group does not own equity interest in this subsidiary but management assessed that it has control over the subsidiary.

On January 9, 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 April 24, 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 September 11, 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.

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 year ended December 31, 2017.

(6) The Group does not own equity interest in this subsidiary but management assessed that it has control over the subsidiary. ADV S2 invests in HAP in the form of a loan with Panthera. The loan agreement was signed on January 5, 2018.

On January 5, 2018, the Group signed a joint venture agreement with Panthera Company Limited ("Panthera"), property development company in Vietnam, Mr. Tran Hoang Anh Tuan and Ms. Nguyen Thai Dong Huong, to operate Hoi An Pearl Joint Stock Company ("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 of $3,806,173 has been accrued and a corresponding obligation to non-controlling interest has been set aside as "other reserves" (Note 20b). 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 for the year ended December 31, 2018.

(7) The Group did not own equity interest in this subsidiary but management assessed that it has control over the subsidiary. As at January 1, 2017, the subsidiary was classified as assets held for sale (see details in Note 11). The subsidiary was disposed in 2017.

12 SUBSIDIARIES (cont'd)

As at December 31, 2018, 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 up to 6 storeys and expected to complete construction by 2020.	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 has yet to commence apart from preparatory work on site. Expected completion date of construction is 2020.	Land area = 11,797.6 sqm GFA = 9,933 sqm

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

12 SUBSIDIARIES (cont'd)

Details of non-wholly owned subsidiary 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		
		December 31, 2018	December 31, 2017	January1, 2017	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
					$	$	$	$	$	$
Crimson Star Development Pte. Ltd.	Singapore	35%	35%	35%	(10,642)	73,751	2,042,790	634,950	645,592	1,694,239
Regis Bay Vietnam Investment Joint Stock Company	Vietnam	100%	100%	100%	248,299	(334,990)	–	1,094,312	846,013	–
Hoi An Pearl Joint Stock Company	Vietnam	100%	–	–	(367,243)	–	–	8,567,409	–	–
AP Land Company Limited	Vietnam	49%	–	–	(48,505)	–	–	138,647	–	–
Individually immaterial subsidiaries with non-controlling interests					–	–	(869,316)	–	–	(1,239,341)
					(178,091)	(261,239)	1,173,474	10,435,318	1,491,605	454,898

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out in the following page. The summarised financial information below represents amounts before intragroup eliminations.

12 SUBSIDIARIES (cont'd)

	Crimson Star Development			Regis Bay		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
Current assets	1,862,909	1,855,285	13,981,705	235,144	382,649	–
Non-current assets	–	–	–	18,056,997	13,131,457	–
Current liabilities	(10,195)	(10,734)	(9,141,021)	(13,574,598)	(9,056,555)	–
Non-current liabilities	–	–	–	(3,623,231)	(3,611,538)	–
Equity attributable to owners of the Company	1,204,264	1,198,959	3,146,445	–	–	–
Non-controlling interests	634,950	645,592	1,694,239	1,094,312	846,013	–
Other income	4	570,309	10,004,660	485,771	19,703	–
Expenses	(30,411)	(359,591)	(4,168,117)	(237,472)	(354,693)	–
Profit for the year	(30,407)	210,718	5,836,543	248,299	(334,990)	–
Profit for the year attributable to owners of the Company	(19,765)	136,967	3,793,753	–	–	–
Profit (Loss) for the year attributable to the non-controlling interests	(10,642)	73,751	2,042,790	(248,299)	(334,990)	–
Profit (Loss) for the year	(30,407)	210,718	5,836,543	(248,299)	(334,990)	–
Other comprehensive income attributable to owners of the company	(25,070)	(227,309)	169,770	–	–	–
Other comprehensive income attributable to the non-controlling interests	(13,500)	(122,398)	91,415	(91,678)	3,603	–
Other comprehensive income for the year	(38,570)	(349,707)	261,185	(91,678)	3,603	–
Total comprehensive income attributable to owners of the company	(44,835)	(90,342)	3,963,523	–	–	–
Total comprehensive income attributable to the non-controlling interests	(24,142)	(48,647)	2,134,205	156,621	(331,387)	–
Total comprehensive income for the year	(68,977)	(138,989)	6,097,728	156,621	(331,387)	–
Net cash inflow (outflow) from operating activities	195,529	6,596,281	9,544,430	20,916	(393,514)	–
Net cash inflow (outflow) from investing activities	4	2,850,110	7,556,140	(3,637,194)	(12,012,139)	–
Net cash (outflow) inflow from financing activities	(201,406)	(11,536,343)	(14,856,640)	3,657,834	12,426,973	–

12 SUBSIDIARIES (cont'd)

	Hoi An Pearl		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Current assets	515,729	–	–
Non-current assets	9,016,581	–	–
Current liabilities	(964,901)	–	–
Non-current liabilities	–	–	–
Equity attributable to owners of the Company	–	–	–
Non-controlling interests	8,567,409	–	–
Other income	26,836	–	–
Expenses	(394,079)	–	–
Profit (Loss) for the year	(367,243)	–	–
Profit for the year attributable to owners of the Company	–	–	–
Profit (Loss) for the year attributable to the non-controlling interests	(367,243)	–	–
Profit (Loss) for the year	(367,243)	–	–
Other comprehensive income attributable to owners of the company	–	–	–
Other comprehensive income attributable to the non-controlling interests	6,250	–	–
Other comprehensive income for the year	6,250	–	–
Total comprehensive income attributable to owners of the company	–	–	–
Total comprehensive income attributable to the non-controlling interests	(360,993)	–	–
Total comprehensive income for the year	(360,993)	–	–
Net cash inflow (outflow) from operating activities	839,531	–	–
Net cash inflow (outflow) from investing activities	(8,980,008)	–	–
Net cash (outflow) inflow from financing activities	8,328,915	–	–

13 JOINT VENTURE

	Group		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Cost of investment in joint venture	3,037,483	–	–
Share of post-acquisition profit[1]	–	–	–
	3,037,483	–	–

The Group does not own equity interest in this joint venture but management assessed that it has joint control over the entity together with the other shareholders. ADV S3 invests in AP NHS in the form of a loan with Panthera. The purpose of AP NHS is to hold and develop project land into a residential apartment project. The loan agreement was signed on April 19, 2018.

On April 19, 2018, the Group, through its wholly-owned subsidiary, ADV S3 Pte. Ltd., signed a joint venture agreement with Panthera Company Limited ("Panthera"), property development company in Vietnam, Mr. Tran Hoang Anh Tuan and Ms. Nguyen Thai Dong Huong, to acquire 31B Ngu Hanh Son, Ngu Hanh Son, Danang, Vietnam and to develop a residential apartment on the piece of land via AP NHS Danang Joint Stock Company ("AP NHS").

The above cash of investment of $3,037,483 represents 45% equity interests in AP NHS which will be transferred to the Group pursuant to satisfaction of certain conditions precedent in the joint venture agreement. This amount remains unpaid as at end of the reporting period.

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

(i) The Group has 2 out of 5 of the board seats; and

(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.

Accordingly, the results of AP NHS has been equity accounted for in the Group's financial statements for the year ended December 31, 2018. As the Group holds no equity interests in the joint venture, there is no share of post-acquisition profit in the joint venture for the year ended December 31, 2018.

Details of the Group's joint venture is as follows:

Name of joint venture	Place of business and incorporation	Principal activities	Proportion of ownership interest and voting power held		
			December 31, 2018	December 31, 2017	January 1, 2017
			%	%	%
AP NHS Joint Stock Company	Vietnam	Residential property development	–	–	–

13 JOINT VENTURE (cont'd)

Summarised financial information in respect of each of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with SFRS(I)s.

	AP NHS Da Nang		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Current assets	6,615,833	–	–
Non-current assets	–	–	–
Current liabilities	(14,390)	–	–
Non-current liabilities	–	–	–
Other income	–	–	–
Expenses	(29,676)	–	–
Loss for the year representing total comprehensive income for the year	(29,676)	–	–

As at December 31, 2018, the joint venture holds the following land use right and property under construction:

Held by company	Location of property	Stage of completion and expected completion date	Land area and Gross Floor Area ("GFA") of property
AP NHS Da Nang Joint Stock Company	Leasehold land of remaining 34 years of tenure on 31B Ngu Hanh Son Street, Bac My An Ward, Ngu Hanh Son District, Da Nang City, Vietnam	Construction has yet to commence and construction is expected to be completed by 2023.	Land area = 3,825 sqm GFA = 44,179 sqm

Construction for the above property has not been completed as yet and hence, it is currently not in use.

14 GOODWILL

	Group
	$
Cost:	
At January 1, 2017	1,525,584
Disposal of subsidiaries (Note 27)	(1,525,584)
At December 31, 2017 and 2018	–
Impairment:	
At January 1, 2017	(1,525,584)
Disposal of subsidiaries (Note 27)	1,525,584
At December 31, 2017 and 2018	–
Carrying amount:	
At December 31, 2018	–
At December 31, 2017	–
At January 1, 2017	–

Goodwill acquired in a business combination was allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Group
	$
Advanced materials and solutions segment:	
Apphia Advanced Materials Pte. Ltd. ("Apphia")	1,524,841
Green Electric Energy Pte. Ltd. ("Green")	743
	1,525,584

In 2017, the Group tested goodwill annually for impairment or more frequently if there were indications that goodwill might be impaired. In 2017, the subsidiaries were disposed and accordingly, the goodwill was written off.

15 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and building	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Plant and machinery	Tools and equipment	Construction in progress	Total
	$	$	$	$	$	$	$	$	$
Cost									
At January 1, 2017	3,427,454	74,920	145,269	345,735	26,208	2,049,243	119,072	–	6,187,901
Additions	–	–	17,568	–	–	27,697	–	12,170,714	12,215,979
Disposal of subsidiaries (Note 27)	(3,427,454)	(73,432)	(131,509)	(327,055)	(26,208)	(2,076,940)	(119,072)	–	(6,181,670)
Exchange differences	–	–	(52)	–	–	–	–	(86,216)	(86,268)
At December 31, 2017	–	1,488	31,276	18,680	–	–	–	12,084,498	12,135,942
Additions	–	–	33,579	–	–	–	–	5,966,209	5,999,788
Exchange differences	–	–	(7,278)	–	–	–	–	871,899	864,621
At December 31, 2018	–	1,488	57,577	18,680	–	–	–	18,922,606	19,000,351
Accumulated depreciation									
At January 1, 2017	671,294	65,318	140,506	337,267	26,208	1,574,397	112,699	–	2,927,689
Depreciation	66,435	2,718	7,372	1,806	–	19,301	906	–	98,538
Disposal of subsidiaries (Note 27)	(737,729)	(66,548)	(133,186)	(320,393)	(26,208)	(1,593,698)	(113,605)	–	(2,991,367)
Exchange differences	–	–	(15)	–	–	–	–	–	(15)
At December 31, 2017	–	1,488	14,677	18,680	–	–	–	–	34,845
Depreciation	–	–	5,486	–	–	–	–	–	5,486
Exchange differences	–	–	(2,048)	–	–	–	–	–	(2,048)
At December 31, 2018	–	1,488	18,115	18,680	–	–	–	–	38,283

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Leasehold land and building	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Plant and machinery	Tools and equipment	Construction in progress	Total
	$	$	$	$	$	$	$	$	$
Impairment loss									
At January 1, 2017	–	269	3,635	689	–	415,464	–	–	420,057
Disposal of subsidiaries (Note 27)	–	(269)	(3,635)	(689)	–	(415,464)	–	–	(420,057)
At December 31, 2017 and December 31, 2018	–	–	–	–	–	–	–	–	–
Carrying amount									
At December 31, 2018	–	–	39,462	–	–	–	–	18,922,606	18,962,068
At December 31, 2017	–	–	16,599	–	–	–	–	12,084,498	12,101,097
At January 1, 2017	2,756,160	9,333	1,128	7,779	–	59,382	6,373	–	2,840,155

As at January 1, 2017, the leasehold land and building were pledged as security for the interest-bearing loan in Note 16.

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	Company		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$
Capitalisation rate	15%	15%	–
Borrowing costs capitalised included in additions during the year	13,925	3,372	–
Accumulated interest capitalised included in the cost total	17,297	3,372	–

Company

	Furniture and fittings	Office equipment	Renovation	Total
	$	$	$	$
Cost				
At January 1, 2017	1,488	13,760	18,680	33,928
Additions	–	10,238	–	10,238
At December 31, 2017	1,488	23,998	18,680	44,166
Additions	–	33,579	–	33,579
At December 31, 2018	1,488	57,577	18,680	77,745
Accumulated depreciation				
At January 1, 2017	1,488	9,949	18,680	30,117
Depreciation	–	2,681	–	2,681
At December 31, 2017	1,488	12,630	18,680	32,798
Depreciation	–	5,486	–	5,486
At December 31, 2018	1,488	18,116	18,680	38,284
Carrying amount				
At December 31, 2018	–	39,461	–	39,461
At December 31, 2017	–	11,368	–	11,368
At January 1, 2017	–	3,811	–	3,811

16 INTEREST-BEARING LOAN

	Group			Company		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
Current						
Bank loan (Secured)	–	–	72,450	–	–	–
Non-current						
Bank loan (Secured)	–	–	942,866	–	–	–

On January 1, 2017, the loan was repayable over 216 monthly instalments from February 2010 until January 2028. The loan was secured by first legal mortgage over the leasehold property and a corporate guarantee from the Company.

In 2017, the average effective borrowing rate was 5.4% per annum and the interest rate arrangement on the bank loan was as follows:

– First 24 monthly instalments at 2.88% (2.12% below the bank's Enterprise Financing Rate) from February 2010 to January 2012.

– Subsequent 40 instalments at 0.25% above from the bank's Enterprise Financing Rate from February 2012 to May 2015.

– Subsequent 152 instalments at 0.75% above from the bank's Enterprise Financing Rate from June 2015 to January 2028.

Management was of the opinion that the carrying amounts of the bank loan approximate their fair value due to market interest rate charged. The loan was fully settled in 2017 as part of the disposal of the subsidiaries.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At January 1, 2017	Financing cash flow	Disposal of subsidiaries (Note 27)	At December 31, 2017
	$	$	$	$
Group				
Bank loan (Secured)	1,015,316	(35,958)	(979,358)	–

17 TRADE PAYABLES

	Group		
	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	
Outside parties	9,482	62,070	191,110

The average credit period on purchases of goods and services is 30 to 60 days (December 31, 2017 and January 1, 2017: 30 to 60 days). No interest is charged on overdue trade payables.

18 OTHER PAYABLES

	Group			Company		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
Current:						
Accruals	4,064,753	362,128	649,541	773,137	252,029	302,888
Loan from director	500,000	–	50,000	500,000	–	–
Interest payable to non-controlling interest	13,925	3,372	–	–	–	–
Amount due to non-controlling interest	6,843,656	–	–	–	–	–
Subsidiary (Notes 5 and 12)	–	–	–	1,940,138	1,940,138	120,678
Advance receipts	–	–	25,196	–	–	–
Related party (Note 5)	–	6,706	42,000	–	–	–
Others	–	–	358,318			66,649
	11,422,334	372,206	1,125,055	3,213,275	2,192,167	490,215
Non-current:						
Provision for reinstatement costs	–	–	6,771	–	–	–
Loan from non-controlling interest	92,831	79,338	–	–	–	–
	92,831	79,338	6,771	–	–	–

As at January 1, 2017, loan from a subsidiary's director bore interest at average rate of 5% per annum, was unsecured and repayable within 3 months from the date of disbursement of the loan. The loan is disposed as a result of the disposal of subsidiaries (Note 27). As at December 31, 2018, another loan from a director amounting to $500,000 was obtained and the loan is non-interest bearing, unsecured and has no fixed term of repayment.

Amount due to non-controlling interest relates to investment in one of the subsidiary amounting to $3,806,173 (Note 12) and investment in joint venture of $3,037,483 (Note 13) which remains unpaid as at end of the reporting period.

Loan from non-controlling interest 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 loan from non-controlling interest is $106,756 (December 31, 2017: $97,852).

18 OTHER PAYABLES (cont'd)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At January 1, 2018	Financing cash flow	At December 31, 2018
	$	$	$
Group			
Loan from director	–	500,000	500,000

19 DEFERRED TAX ASSETS (LIABILITIES)

	Fair value adjustment on leasehold land building on business combination	Temporary difference on property, plant & equipment	Total
	$	$	$
Group			
At January 1, 2017	(210,530)	–	(210,530)
Credit to profit or loss (Note 25)	5,013	173,621	178,634
Disposal of subsidiaries (Note 27)	205,517	–	205,517
At December 31, 2017 and at December 31, 2018	–	173,621	173,621

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

20a SHARE CAPITAL

	Group and Company					
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	Number of ordinary shares			$	$	$
Issued and paid-up:						
At beginning of the year and end of the year	1,950,619,331	1,950,619,331	1,950,619,331	52,411,370	52,411,370	52,411,370

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

20b OTHER RESERVES

This represents the Group's obligation to acquire equity interests in one of its subsidiaries (Note 12).

21 REVENUE

The Group derives its revenue from the transfer of goods at a point in time in the following major product lines.

	Group	
	2018	2017
At a point in time	$	$
Discontinued operations:		
Sales of goods (Note 27)	–	1,532,005

22 OTHER INCOME

	Group	
	2018	2017
	$	$
Continuing operations:		
Interest income	429,717	20,430
Foreign exchange gain, net	118,989	–
Others	100,250	35,251
	648,956	55,681
Discontinued operations (Note 27):		
Government grant	–	28,308
Gain on disposal of subsidiary	–	545,697
Others	–	2,699
	–	576,704
Total	648,956	632,385

23 OTHER EXPENSES

	Group	
	2018	2017
	$	$
Continuing operations:		
Foreign exchange loss, net	–	1,012,027
Discontinued operations (Note 27):		
Foreign exchange loss, net	–	17,189
Total	–	1,029,216

24 FINANCE COSTS

	Group	
	2018	2017
	$	$
Continuing operations:		
Interest expense on loans	3,495	–
Discontinued operations (Note 27):		
Interest expense on loans	–	33,036
	–	33,036
Total	3,495	33,036

25 INCOME TAX (EXPENSE)/CREDIT

	Group	
	2018	2017
	$	$
Continuing operations:		
Tax expense comprises:		
(Under) Overprovision of current tax in prior years	(2,495)	(7,171)
Deferred tax (Note 19)	–	173,621
	(2,495)	166,450
Discontinued operations (Note 27):		
Tax credit comprises:		
Deferred tax (Note 19)	–	5,013
Total	(2,495)	171,463

Domestic income tax is calculated at 17% (2017 : 17%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total (expenses) benefit for the year can be reconciled to the accounting loss as follows:

	Group	
	2018	2017
	$	$
Loss before income tax:		
Continued operation	(783,343)	(2,706,759)
Discontinued operation	–	(1,998,057)
Total	(783,343)	(4,704,816)
Tax benefit at statutory tax rate of 17% (2017 : 17%)	(133,168)	(799,819)
Effect of expenses that are not deductible	74,170	471,169
Deferred tax asset not recognised	72,338	176,530
Effect of revaluations of assets for taxation purpose	–	(5,013)
Underprovision of current tax in prior years	2,495	7,171
Differences in foreign tax rate	(13,340)	(21,501)
	2,495	(171,463)

25 INCOME TAX (EXPENSE)/CREDIT (cont'd)

The Group has tax loss carryforward and unutilised capital allowances available for offsetting against future taxable income as follows:

	Tax losses		Unutilised capital allowances		Other temporary differences		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$	$	$
At beginning of year	3,271,688	5,196,664	5,145	3,209,027	868,105	–	4,144,938	8,405,691
Adjustments	301,782	6,400	–	–		–	301,782	6,400
Arising during the year	361,053	845,200	–	64,309	–	868,105	361,053	1,777,614
Disposal of subsidiaries (Note 27)	–	(2,776,576)	–	(3,268,191)	–	–	–	(6,044,767)
At end of year	3,934,523	3,271,688	5,145	5,145	868,105	868,105	4,807,773	4,144,938
Deferred tax benefit on above recorded							173,621	173,621
Deferred tax benefits on above not recorded							536,926	380,315

The realisation of the future income tax benefits from tax loss carryforwards and unutilised capital allowances that are available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Subject to the agreement by the tax authorities, at the end of reporting period, the Group has unutilised tax losses of $1,360,043 (2017 : $697,281) available for offset against future profits that has expiry dates of up to 2023.

Deferred tax assets have not been recognised due to the unpredictability of future taxable profits.

26 LOSS FOR THE YEAR

This is determined after charging (crediting) the following:

	Group 2018	Group 2017
	$	$
Continuing operations:		
Directors' fees of the Company	115,000	105,000
Depreciation	5,486	4,743
Employee benefits expense (including directors' remuneration)	1,437,037	884,983
Directors' remuneration of the Company	391,775	290,880
Defined contribution plans	–	52,597
Foreign exchange (gain) loss, net	(118,989)	1,012,027
Audit fees:		
- paid to auditors of the Company	123,000	101,000
- paid to other auditors	51,000	23,344
Total audit fees	174,000	124,344
Discontinued operations:		
Cost of inventories recognised in cost of sales	–	694,635
Depreciation	–	93,795
Loss allowance	–	2,237,977
Employee benefits expense (including directors' remuneration)	–	459,631
Defined contribution plans	–	62,097
Gain on disposal of subsidiary	–	(545,697)
Foreign exchange loss, net	–	17,189
Audit fees:		
- paid to auditors of the Company	–	24,000
- paid to other auditors	–	1,093
Total audit fees	–	25,093

There are no fees paid by the Group to the external auditors for non-audit services for 2018 and 2017.

27 DISCONTINUED OPERATIONS

2017

(i) On 20 July 2017, the Group entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Lim Keng Hock Jonathan and Tecnisco Limited to dispose of its entire interest in the share capital of its wholly-owned subsidiary, Apphia Advanced Materials Pte Ltd ("Apphia Group") for $1,400,000. The disposal was completed on August 4, 2017 and the gain on disposal of $545,697 was recognised in "other operating income" under "Loss for the year from discontinued operation".

(ii) The Group has struck off its subsidiary, Green Electric Energy Pte Ltd, during the reporting period.

(iii) The Group completed its disposal of Vinacon Investment and Development Company Limited (VID). The financial results had been included in the analysis of results of discontinued operation below.

The loss for the year from discontinued operations are analysed as follows:

	Group	
	2018	2017
	$	$
Loss on discontinued operations	–	(1,993,044)

An analysis of the results of discontinued operations is as follows:

	Group	
	2018	2017
	$	$
Revenue (Note 21)	–	1,532,005
Cost of sales	–	(1,045,194)
Other operating income (Note 22)	–	576,704
Other expenses (Note 23)	–	(17,189)
Distribution and selling expenses	–	(14,957)
Administrative expenses	–	(2,996,390)
Finance costs (Note 24)	–	(33,036)
Loss before tax	–	(1,998,057)
Income tax credit (Note 25)		5,013
Loss for the year	–	(1,993,044)

Net cash used in discontinued operations are as follows:

Operating activities	–	(119,030)
Investing activities	–	(27,697)
Financing activities	–	34,606
Net cash flow attributable to discontinued operations	–	(112,121)

27 DISCONTINUED OPERATIONS (cont'd)

Details of the disposal in 2017 is as follows:

	2018	2017
	$	$
Non-current assets		
Property, plant and equipment (Note 15)	–	2,770,246
Current assets		
Inventories	–	462,299
Other receivables	–	570,491
Cash and cash equivalent	–	138,934
Total current assets	–	1,171,724
Current liabilities		
Trade and other payable	–	(1,739,235)
Bank loan	–	(979,358)
Deferred tax liabilities (Note 19)	–	(205,517)
Total current liabilities	–	(2,924,110)
Net assets derecognised	–	1,017,860
Gain on disposal		
Consideration received, satisfied in cash	–	1,400,000
Net assets derecognised	–	(1,017,860)
Non-controlling interests derecognised	–	(7,110)
Realisation of currency translation reserve upon disposal	–	170,667
Gain on disposal	–	545,697
Net cash inflow arising on disposal		
Cash consideration received during the year	–	1,400,000
Cash and cash equivalents disposed off	–	(138,934)
Cash and cash equivalents classified as held for sale	–	(462,109)
	–	798,957

28 LOSS PER SHARE

The calculations of loss per share are based on the loss for the year attributable to owners of the Company and weighted average number of shares shown below.

	Group	
	2018	2017
	$	$
Loss attributable to equity holders of the Company	(607,747)	(4,272,114)
Weighted average number of shares ('000)	1,950,619	1,950,619
Loss per share - Basic (cents)	(0.03)	(0.22)

As at December 31, 2018 and 2017, the Group does not have any dilutive potential ordinary shares. Accordingly, the basic and diluted loss per share are the same.

29 SHARE-BASED PAYMENTS

Equity-settled share option scheme

At an Extraordinary General Meeting of the Company held on December 29, 2008, the shareholders approved the amendments to the SNF 2004 Share Option Scheme ("the Scheme"). Under the amended Scheme, the Company may grant options to executive directors and employees of the Group who have contributed to the success and development of the Group to subscribe for ordinary shares in the Company provided that the aggregate number of shares over which the Company may grant on any date, when added to the number of shares issued or issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued shares of the Company on the date preceding the grant of the options. The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20% of the Market Price which is defined as the average of last dealt price for the shares by reference to the official list published by the SGX-ST for the 5 consecutive days immediately preceding the offer date of such options. In the event that the options are given a discount, then the vesting period shall be two years from date of grant. If no discount is given, the vesting periods shall be one year from the date of grant.

The Scheme was administered by the Remuneration Committee.

The Scheme expired on February 16, 2014. The Company held an Extraordinary General Meeting on April 30, 2015 where the shareholders approved new employee share option scheme, name as Adventus Employee Share Option Scheme (the "New Scheme"). No share options have been awarded under the New Scheme.

Details of the share options outstanding during the year are as follows:

	Group and Company			
	2018		2017	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		$		$
Outstanding at the beginning of the year	–	–	2,080,000	0.042
Lapsed during the year	–	–	(2,080,000)	0.042
Outstanding at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–

There is no new option granted to directors and employees in 2018 and 2017.

30 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Group	
	2018	2017
	$	$
Minimum lease payments under operating leases recognised as an expense in the year	28,375	66,915

At the end of the reporting period, the Group and Company have outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group			Company		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	$	$	$	$	$	$
Within one year	24,600	27,515	259,329	24,600	11,500	27,600
In the second to fifth year inclusive	20,500	–	521,648	20,500	–	11,500
More than five years	–	–	533,456	–	–	–
Total	45,100	27,515	1,314,433	45,100	11,500	39,100

Operating lease payments represent rentals payable by the Group and Company for its certain equipment, office, workshop premises and land. Leases are negotiated and rentals are fixed for an average of 1 to 2 years. (2017 : 1 to 2 years).

31 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 reportable operating segments as follows:

(1) Advanced Materials & Solutions segment mainly relates to (i) the distribution and provision of printing equipment and printing solutions; (ii) the distribution and manufacturing of sputtering targets; and (iii) the manufacturing and trading of energy-efficient equipment and apparatus as well as the provision of related services.

(2) Property and Hospitality segment mainly relates to (i) property ownership, development, management and investment; and (ii) hospitality services.

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 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 which cannot be attributed to any one operating segment.

31 SEGMENT INFORMATION (cont'd)

Segment information about the Group's reportable segment is presented below:

(a) *Segment revenues and result*

	Advanced materials & solutions		Property and hospitality		Corporate		Others		Total	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Continuing operations:										
Total revenue	–	–	–	–	–	–	–	–	–	–
Segment results	(29,787)	(34,792)	(3,298)	(498,491)	(1,171,068)	(2,187,983)	(5,412)	(5,923)	(1,209,565)	(2,727,189)
Interest income									429,717	20,430
Finance costs									(3,495)	–
Loss before income tax									(783,343)	(2,706,759)
Income tax (expense) credit									(2,495)	166,450
Loss for the year									(785,838)	(2,540,309)
Discontinued operations:										
Total revenue	–	1,532,005	–	–	–	–	–	–	–	1,532,005
Segment results	–	(242,814)	–	(1,722,207)	–	–	–	–	–	(1,965,021)
Interest income									–	–
Finance costs									–	(33,036)
Loss before income tax									–	(1,998,057)
Income tax credit									–	5,013
Loss for the year									–	(1,993,044)

31 SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Advanced materials & solutions		Property and hospitality		Corporate		Others		Total	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Segment assets	15,097	125,165	37,795,810	16,683,543	272,908	5,793,978	–	–	38,083,815	22,602,686
Segment liabilities	38,887	137,346	10,206,331	121,740	1,273,136	252,028	6,293	2,500	11,524,647	513,614
Capital expenditure	–	27,697	13,574,339	12,178,044	33,579	10,238	–	–	13,607,918	12,215,979
Depreciation of property, plant and equipment	–	93,795	–	2,062	5,486	2,681	–	–	5,486	98,538
Loss allowance	–	515,770	–	1,722,207	–	–	–	–	–	2,237,977
Gain on disposal of subsidiary	–	(545,697)	–	–	–	–	–	–	–	(545,697)

31 SEGMENT INFORMATION (cont'd)

	Group 2018	Group 2017
	$	$
Sales revenue based on location of customer		
Discontinued operations:		
Malaysia	–	236,704
Indonesia	–	302,691
Singapore	–	663,242
Germany	–	123,025
Others	–	206,343
	–	1,532,005

	Group 2018	Group 2017
Non-current assets based on location		
Singapore	39,462	11,368
Vietnam	29,687,126	12,089,729
	29,726,588	12,101,097

Information about major customers

In 2018, $Nil (2017 : $408,014) of revenue is generated from Nil customers (2017 : three customers) from the Advanced materials and solutions segment, which accounts for Nil% (2017 : 27%) of total Group's revenue.

32 CAPITAL EXPENDITURE COMMITMENTS

Estimated amounts committed for future capital expenditure but not provided for in the financial statements at the end of the reporting period:

	Group 2018	Group 2017
	$	$
Construction of property, plant and equipment and property under development	14,368,567	1,151,127

33 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The Group and the Company adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended December 31, 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (December 31, 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended December 31, 2018, an additional opening statement of financial position as at date of transition (January 1, 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (January 1, 2017) and as at end of last financial period under FRS (December 31, 2017), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended December 31, 2017). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the election of certain transition options available under SFRS(I) 1.

If an entity's first SFRS(I) reporting period begins before January 1, 2019 and the entity applies SFRS(I) 9, SFRS(I) 1.E1 allows the comparative information in the entity's first SFRS(I) financial statements to not comply with SFRS(I) 7 *Financial Instruments: Disclosures* or SFRS(I) 9, to the extent that the disclosures required by SFRS(I) 7 relate to items within the scope of SFRS(I) 9. For such entities, references to the 'date of transition to SFRS(I)s' shall mean, in the case of SFRS(I) 7 and SFRS(I) 9 only, the beginning of the first SFRS(I) reporting period.

Management has elected the option to reset the translation reserve for all foreign operations to zero as at date of transition to SFRS(I) on January 1, 2017. As a result, foreign currency translation surplus as at January 1, 2017 of $374,602 has been reclassified to accumulated losses.

The line items on the Group's financial statements that have been adjusted from the adoption of SFRS(I) as described above are summarised below:

	As previously reported	Adjustments	As adjusted
	$	$	$
Statement of financial position			
As at January 1, 2017			
(date of transition to SFRS(I))			
Equity			
Translation reserve	374,602	(374,602)	–
Accumulated losses	(27,518,920)	374,602	(27,144,318)
As at December 31, 2017			
(end of the last period reported under SFRS)			
Equity			
Translation reserve	(168,849)	(374,602)	(543,451)
Accumulated losses	(31,764,189)	374,602	(31,389,587)

Except for SFRS(I) 1 as disclosed above, the initial application of SFRS(I) 15 and SFRS(I) 9 did not result in a material impact on the financial statements of the Group.

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 15 March 2019, 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 15 MARCH 2019

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	3	0.24	71	0.00
100 - 1,000	63	5.01	37,787	0.00
1,001 - 10,000	153	12.17	898,500	0.05
10,001 - 1,000,000	933	74.23	187,303,635	9.60
1,000,001 AND ABOVE	105	8.35	1,762,379,338	90.35
TOTAL	**1,257**	**100.00**	**1,950,619,331**	**100.00**

STATISTICS OF **SHAREHOLDING**

As at 15 March 2019

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares Held	%
1	UNITED OVERSEAS BANK NOMINEES PTE LTD	930,792,703	47.72
2	CITIBANK NOMINEES SINGAPORE PTE LTD	252,265,772	12.93
3	RAFFLES NOMINEES (PTE) LIMITED	99,151,967	5.08
4	CHIN BAY CHING	82,942,256	4.25
5	DBS NOMINEES PTE LTD	38,373,000	1.97
6	KWA KAY HOW	31,844,500	1.63
7	KOH KAH BENG (XU JIAMING)	23,216,000	1.19
8	OCBC SECURITIES PRIVATE LTD	18,738,500	0.96
9	TAN LYE SENG	12,690,100	0.65
10	SHEN CHEE TONG STEVEN	9,050,000	0.46
11	NG SENG HONG	8,795,500	0.45
12	LYE KEE FOOK	8,436,700	0.43
13	NAI LEE HUAT	8,301,000	0.43
14	OH CHEE KEAT	8,000,000	0.41
15	OCBC NOMINEES SINGAPORE PTE LTD	7,233,300	0.37
16	CHOI BOON WAI	7,084,000	0.36
17	CHUA KOON BENG	7,000,000	0.36
18	LEE MUN SENG	7,000,000	0.36
19	CHUA KUAN TA	6,446,400	0.33
20	ONG YUEH NGOH (HUANG YUE'E)	6,315,900	0.32
	TOTAL	**1,573,677,598**	**80.66**

Substantial Shareholders

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chin Bay Ching	82,942,256	4.25	1,161,662,875[(1)]	59.56

Note:

(1) 911,797,103 shares held in the name of United Overseas Bank Nominees Pte Ltd and 249,865,772 shares held in the name of Citibank Nominees Singapore Pte Ltd.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Bay Hotel at 50 Telok Blangah Road Singapore 098828 on Tuesday, 30 April 2019 at 3.00 p.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2018 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 Articles of Association of the Company. **[Resolution 2]**

   Mr Gersom G Vetuz, upon re-election as Director of the Company, shall remain as the Chairman of the Audit Committee and the member of the Remuneration Committee 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. To re-elect Mr Loh Eu Tse Derek, who is retiring pursuant to Article 95 of the Articles of Association of the Company. **[Resolution 3]**

   Mr Loh Eu Tse Derek, 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 1)

4. To approve Directors' fees of S$115,000 for the financial year ended 31 December 2018 (S$115,000 for the financial year ended 31 December 2017). **[Resolution 4]**

5. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

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

7. 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 2) **[Resolution 6]**

8. Authority to grant options and to 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 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. **[Resolution 7]**
(See Explanatory Note 3)

By Order of the Board

Lee Bee Fong
Company Secretary
15 April 2019
Singapore

EXPLANATORY NOTES:

1. In relation to **Resolutions 2 to 3** proposed in items 2 to 3 above, there are no relationships (including immediate family relationships) between Mr Gersom G Vetuz and Mr Loh Eu Tse Derek (collectively, the "Director") and with the others Directors, the Company or its 10% shareholders respectively and the details information on the Directors are set out in the section entitled "Board of Directors" and in the Corporate Governance Report section of the Company's Annual Report 2018.

2. **Resolution 6**, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting, to grant options and to issue shares in the Company. The number of shares which the Directors may issue under this Resolution would not exceed 100% of the total number of issued share (excluding treasury shares and subsidiary holdings, if any) of the Company at the time of passing this Resolution. For issue of shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares to be issued shall not exceed 50% of the total number of issued 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.

3. **Resolution 7**, if passed, will empower the Directors from the date of the resolution is passed or to be granted until the next Annual General Meeting, to issue shares pursuant to the exercise of options granted under the Scheme. The maximum number of new shares to be issued under the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company from time to time. Any shares issued pursuant to this authority will not form part of the mandate sought under **Resolution 6**.

Notes:

1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50.

2. A proxy need not be a member of the Company.

3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829 not less than 48 hours before the time appointed for the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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 of the Company to be convened on 30 April 2019 ("**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	28 April 2017	28 April 2017
Age	74	52
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 NC 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 NC 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 Remuneration Committee.	Non-Executive Independent Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees.
Professional qualifications	• Bachelor Degree in Business Administration (Major in Accounting) from the University of the East, Manila, Philippines • Certified Public Accountant in the Philippines • Attended the Executive Program in Business Administration at Columbia University, New York, USA	• Graduated from University of Cambridge with Honours • Obtained barrister-at-law in England • An advocate and solicitor in Singapore

	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
Other Principal Commitments Including Directorships		
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years)	Partner at Moore Stephens LLP	Metech International Limited
Present	1. Adventus Holdings Limited Other Principal Commitments (other than directorships) None	1. Adventus Holdings Limited 2. DISA Limited 3. Federal International (2000) Ltd 4. K2 F&B Holdings Limited 5. Vibrant Group Limited 6. Vietnam Enterprise Investments Limited Other Principal Commitments (other than directorships) 1. Executive Director of TSMP Law Corporation Singapore 2. Member of the Board of Governors of Saint Joseph Institution 3. Board of Trustees of Saint Joseph's Institution Foundation (Singapore)

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	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

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
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
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes - 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.	Yes - I was a non-executive director of a company which was investigated by the Commercial Affairs Department for a breach of the Companies Act. However, this investigation was closed without further action. It was a technical non-compliance involving no dishonesty or fraud on the part of the Board of Directors.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Gersom G Vetuz	Mr Loh Eu Tse Derek
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
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
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). I was a non-executive director of a company which was investigated by the Commercial Affairs Department for a breach of the Companies Act. However, this investigation was closed without further action. It was a technical non-compliance involving no dishonesty or fraud on the part of the Board of Directors.

ADVENTUS HOLDINGS LIMITED

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is sent to them at the request of their CPF Approved Nominees solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

*I/We ________________________ *NRIC/Passport No. ________________

of ____ (Address)

being *a member/members of ADVENTUS HOLDINGS LIMITED (the "**Company**"), hereby appoint

Name	**Address**	**NRIC/ Passport No.**	**Proportion of Shareholdings to be represented by proxy (%)**

and/or (delete as appropriate)

Name	**Address**	**NRIC/ Passport No.**	**Proportion of Shareholdings to be represented by proxy (%)**

or failing *him/her/them, the Chairman of the meeting as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at Bay Hotel at 50 Telok Blangah Road Singapore 098828 on Tuesday, 30 April 2019 at 3.00 p.m., and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Annual General Meeting.

NOTE: Each resolution at the Annual General Meeting will be voted on by way of a poll.

☐ Please tick here if more than two (2) proxies will be appointed (Please refer to note 2). This is only applicable for intermediaries such as banks and capital markets service license holders which provide custodial services.

No.	**Resolutions Relating To:**	**For**	**Against**
	ORDINARY BUSINESS		
1.	Adoption of Directors' Statement and Financial Statements		
2.	Re-election of Mr Gersom G Vetuz		
3.	Re-election of Mr Loh Eu Tse Derek		
4.	Approval of Directors' Fees		
5.	Re-appointment of Auditors		
	SPECIAL BUSINESS		
6.	Authority to Directors to allot and issue new shares		
7.	Authority to Directors to 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 ______________ 2019

Register	Number of Shares Held
CDP Register	
Register of Members	

____

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

** Delete accordingly*

IMPORTANT: PLEASE READ NOTES OVERLEAF

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) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829 not less than 48 hours before the time appointed for holding the meeting.

5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed 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 of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which 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 (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

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 2019.

Affix
postage
stamp here

ADVENTUS HOLDINGS LIMITED
52 Telok Blangah Road
#03-06 Telok Blangah House
Singapore 098829

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