

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

PROPOSED DISPOSAL OF 51% STAKE IN HOI AN PEARL JOINT STOCK COMPANY

1. Introduction

- 1.1 The Board of Directors (the "**Board**") of Adventus Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") is pleased to announce that its wholly-owned subsidiary, ADV S2 Pte. Ltd. (the "**Seller**") has, on 18 August 2023, entered into conditional share sale and purchase agreements (the "**SPAs**") with each of Nguyen Thai Dong Huong and Huynh Nghia Thien (the "**Buyers**") for the disposal of an aggregate of 8,721,000 ordinary shares (the "**Sale Shares**") in Hoi An Pearl Joint Stock Company ("**HAP**"), and such disposal the "**Proposed Disposal**").
- 1.2 As at the date of this announcement, the Seller is the legal and beneficial owner of the Sale Shares which comprise 51.0% of the charter capital of HAP while the other 49.0% is held by Nguyen Thai Dong Huong, who is one of the Buyers, Nguyen My Duyen and Tran Hoang Anh Tuan. The total par value of the Sale Shares is VND 87,210,000,000.
- 1.3 Following the completion of the Proposed Disposal, the Group will no longer have any interest in the charter capital of HAP.

2. Information on the Proposed Disposal

2.1 Information on HAP

HAP is a company incorporated in Vietnam and has an issued and paid-up share capital of VND 171 billion, divided into 17.1 million ordinary shares.

HAP currently owns a hotel property operating under the brand name Bay Resorts Hoi An (the "**Hotel**") which commenced operations on 27 March 2023. The Hotel currently has over 100 hotel rooms and suites, as well as other complementary facilities such as restaurants, a poolside bar and a spa.

2.2 Information on the Buyers

Nguyen Thai Dong Huong is the Group's current joint venture partner for the Hotel. Huynh Nghia Thien is Nguyen Thai Dong Huong's nominee and, on completion of the Proposed Disposal, Nguyen Thai Dong Huong will acquire 7,866,342 Sale Shares and Huynh Nghia Thien will acquire 854,658 Sale Shares.

None of the Buyers are an "interested person" of the Company for purposes of Chapter 9 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

3. Principal terms of the SPAs

3.1 Aggregate value of consideration

The aggregate consideration payable under the Proposed Disposal is VND 106 billion (approximately S\$6.09 million) to be satisfied in cash (the "**Consideration**"), and is inclusive of capital gains tax applicable to the Proposed Disposal. The Company expects the amount of capital gains tax payable for the Proposed Disposal to not exceed VND 560 million (approximately S\$0.03 million).

The Consideration was arrived at on a willing buyer and willing seller basis after arm's length negotiations between the Seller and the Buyers, taking into account the following factors:

- (i) the aggregate net assets attributable to the equity holder of HAP of approximately S\$3.40 million, based on latest unaudited financial statement as at 30 June 2023;
- (ii) the Consideration representing a premium of 44.2% over the aggregate net asset value attributable to the Sale Shares; and
- (iii) the prevailing market conditions, including interest rates and the impact on such interest rates on the cost of the Group's borrowings moving forward – the Proposed Disposal marks an opportunity for the Group to reduce its borrowings.

3.2 Manner of payment

The Consideration shall be paid to the Seller in the following manner:-

- (a) within 15 days from the date of the SPAs, the Buyers shall each transfer 50.0% of their portion of the Consideration into the direct investment capital account of HAP ("**DICA**"). On the date HAP submits the application to the Department of Planning and Investment of Quang Nam Province (the "**Licensing Authority**") to amend its enterprise registration certificate, the Buyers shall procure HAP to transfer such 50.0% of the Consideration to the Seller;
- (b) Within 15 days from the date the Licensing Authority issues the written confirmation to HAP regarding the de-registration of the Seller as foreign shareholder of HAP, the Buyers shall transfer the remaining 50.0% of their portion of the Consideration (less any capital gains tax) to the DICA and shall procure HAP to transfer such amount to the Seller.

3.3 Material conditions attaching to the Proposed Disposal

The Seller's obligations under each of the SPAs are conditional upon:

- (a) all dividends or distributions arising and payable to the Seller before the date of the SPAs having been paid to the Seller in full, unless the Seller agrees otherwise at its sole discretion;
- (b) the Buyers having executed a share pledge agreement with the Seller whereby the Buyers pledges all of their shares in HAP (including the Sale Shares acquired from the Seller) to the Seller to secure HAP's repayment of certain intercompany borrowings owed by HAP to the Seller; and

- (c) the parties having either (1) obtained written consent of Saigon Thuong Tin Commercial Joint Stock Bank ("**Sacombank**") to undertake the Proposed Disposal and the subsequent shares pledge; or (2) procured the discharge of the existing shares pledge over the Sale Shares in favour Sacombank, by way of repayment of the loan to Sacombank by the Buyers.

Save for the above, there are no other material conditions attaching to the Proposed Disposal.

4. Value of the Sale Shares

Based on the latest audited financial statements of the Group for the period year 31 December 2022 ("**FY2022**"), the net asset value attributable to the Sale Shares is approximately S\$4.15 million. No valuation was conducted in respect of the Sale Shares.

Based on the latest audited financial statements of the Group for FY2022, the Proposed Disposal is expected to result in a gain of approximately S\$1.90 million.

5. Use of Proceeds

The Company intends to utilise the proceeds of the Proposed Disposal to repay certain of the Group's current borrowings (including Group's bank borrowings and other borrowings) and for working capital purposes.

6. Rationale for the Proposed Disposal

The Board believes that the Proposed Disposal will be beneficial to and is in the best interests of the Company and the Group for the following reasons:

- 6.1 the Proposed Disposal will, upon completion, result in positive cash inflow of approximately S\$5.60 million, which would improve the liquidity and working capital position of the Group;
- 6.2 the Proposed Disposal will, upon completion, reduce the short- and long-term debts and liabilities of the Group, and will allow the Group to reduce its current bank and other borrowings; and
- 6.3 the Group's subsidiary, Bay Hospitality Pte. Ltd. will continue to manage the Hotel pursuant to the terms of a hotel management agreement. As such, the Group would continue to benefit from hotel management fees paid to the Group pursuant to the hotel management agreement even after completion of the Proposed Disposal.

7. Relative figures computed on the bases set out in Rule 1006 of the Catalist Rules

The relative figures of the Proposed Disposal under Rule 1006 of the Catalist Rules based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2023 (being the latest announced consolidated accounts), are set out below.

| Rule 1006 | Bases | Relative Figures (%) |
|------------------|--|-------------------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value | 16.3% ⁽¹⁾ |
| (b) | Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits | 26.0% ⁽²⁾ |
| (c) | Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares | 41.4% ⁽³⁾ |
| (d) | Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue | Not applicable ⁽⁴⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be acquired, compared with the aggregate of the Group's proven and probable reserves. | Not applicable ⁽⁵⁾ |

Notes:

- (1) Based on the net asset value attributable to the Sale Shares of approximately S\$3.40 million, compared with the Group's net asset value of S\$20.90 million.
- (2) Based on HAP's loss before income tax, minority interests and extraordinary items of S\$0.77 million, compared with the Group's loss before income tax, minority interests and extraordinary items of S\$2.98 million.
- (3) Based on a market capitalisation of S\$14.71 million. The market capitalisation of the Company was determined by multiplying the number of total issued Shares, being 2,451,619,331 Shares (excluding treasury shares) by S\$0.006, being the volume weighted average traded price on the market day preceding the date of the SPAs.
- (4) Rule 1006(d) of the Catalist Rules is not applicable as the Proposed Disposal does not involve an issuance of equity securities.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

The Proposed Disposal constitutes a "disclosable transaction" as defined in Chapter 1010 of the Catalist Rules as:

- (a) the relative figure under Rule 1006 of the Catalist Rules exceeds 5% but has not exceeded 50%; and
- (b) with reference to Practice Note 10A of the Catalist Rules, the Proposal Disposal constitutes a disposal of a loss-making asset by a loss-making issuer. While none of the relative figures computed on the bases are negative, the relative figures computed on the bases of each of Rules 1006(a) and 1006(c) do not exceed 50.0% and the Group is expected to record a gain on the completion of the Proposed Disposal.

8. Financial effects of the Proposed Disposal

The proforma financial effects of the Proposed Disposal on the net tangible asset ("NTA") per share and the (loss)/earnings per share ("LPS)/EPS") of the Company are set out below. The proforma financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

The proforma financial effects are purely for illustration purposes only and are therefore not necessarily indicative of the actual financial position of the Group after the Proposed Disposal has been completed.

8.1 NTA

For illustrative purposes only, the proforma financial effects of the Proposed Disposal on the Company's NTA per share, assuming that the Proposed Disposal had been completed on 31 December 2022, being the end of the most recently completed financial year, are set out below:

| NTA | Before the Proposed Disposal | After the Proposed Disposal |
|--|------------------------------|-----------------------------|
| NTA ⁽¹⁾ (S\$'000) | 17,046 | 18,945 |
| Number of issued Shares ⁽²⁾ | 2,451,619,331 | 2,451,619,331 |
| NTA per Share (cents) | 0.70 | 0.77 |

Notes:

- (1) NTA is based on net asset value of the Group less intangible assets and non-controlling interests.
- (2) As at the Latest Practicable Date, the Company does not have any treasury shares or subsidiary holdings.

8.2 (Loss)/earnings per Share ("LPS)/EPS")

For illustrative purposes only, the proforma financial effects of the Proposed Disposal on the consolidated (losses)/profits of the Group, assuming that the Proposed Disposal had been completed on 1 January 2022, being the beginning of the most recently completed financial year, are set out below:

| LPS | Before the Proposed Disposal | After the Proposed Disposal |
|---|------------------------------|-----------------------------|
| (Loss)/Profit attributable to the owners of the Company (S\$'000) | (1,456) | 589 |
| (LPS)/EPS - Basic (cents) ⁽¹⁾ | (0.07) | 0.03 |

Note:

- (1) Based on the number of shares in the Company as at 1 January 2022 (1,950,619,331 ordinary shares).

9. Interests of directors and controlling shareholders

Save as disclosed in this announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Proposed Disposal.

10. Directors' service contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. Documents available for inspection

Copies of the SPA are available for inspection during normal business hours at the Company's registered office at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829, for a period of three (3) months commencing from the date of this announcement.

12. Directors' responsibility statement

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

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

13. Caution in trading

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will proceed to completion, as the completion is subject to, *inter alia*, fulfilment of all the conditions precedent in the SPA. Shareholders are advised to read this announcement and any further announcements carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Chin Bay Ching
Executive Director and Chairman
18 August 2023

*This announcement had been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant Catalist Rules.*

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

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