

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

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

INTRODUCTION

The Board of Directors (the “**Board**”) of Adventus Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company’s 65.0%-owned subsidiary, Crimson Star Development Pte Ltd¹ (“**CS**”), has on 12 June 2015 entered into various agreements (the “**Agreements**”) to acquire 100% of the commercial benefits of a residential property development project (the “**Project**”).

The Agreements include the Option and Marketing Services Agreement between CS and the option holder for the assignment of the option and marketing services agreement, the Loan Agreement between CS and VID (as defined below) to support the Project, and the Marketing Agreement between CS and RCL (as defined below) for the payment of marketing fees to CS.

INFORMATION ON THE PROJECT

The Project, currently called VRG Riverview Apartments, is a semi-completed residential apartment building with freehold title. It comprises two (2) blocks with a total of 302 apartment units, with Block A containing 17 storeys with 108 units, and Block B containing 23 storeys with 194 units. The Project has a gross floor area of 47,665 m² with a land area of 5,192 m², and is located at 381 Ben Chuong Duong, Cầu Kho Ward, District 1, Ho Chi Minh City, Vietnam.

The vendor for the Project is Rubber Real Estate Construction Joint Stock Company² (“**RRE**”). RRE has entered into a joint venture agreement (“**JVA**”) with Vinacon Investment and Development Company Limited³ (“**VID**”), whereby a joint venture company known as Riverview Company Limited⁴ (“**RCL**”) will be set up. RRE will inject the Project into RCL, and VID will eventually acquire the Project through the acquisition of the entire share capital of RCL.

CS or its nominee has been offered the opportunity to participate in the Project by acquiring the right to buy the entire share capital of RCL for US\$300,000 (approximately S\$404,000⁵), and the payment in advance of the marketing fee for the Project of US\$5.7 million (approximately S\$7.7 million), plus profit sharing in accordance to an agreed formula or a lump sum to be determined in due course (collectively, the “**Rights**”).

¹ The remaining 35.0% of CS is owned by Mr Khua Kian Keong, a businessman involved in the logistics, real estate and financial services businesses headquartered in Singapore.

² RRE is an investment holding company incorporated in Vietnam.

³ VID is an investment and development company incorporated in Vietnam.

⁴ Incorporated in Vietnam.

⁵ Based on an exchange rate of \$S1.00 to US\$0.7425 as at 12 June 2015.

It is the intention of CS to acquire the Rights for the Project, partner VID in completing the outstanding construction works and subsequently sell the apartment units for 100% of the commercial benefits.

PURCHASE CONSIDERATION FOR THE PROJECT

The total consideration for the acquisition of the commercial benefits of the Project payable by CS is S\$58.7 million (the “**Purchase Consideration**”). The Purchase Consideration shall be satisfied by a loan by CS to VID of S\$50.6 million⁶ (the “**Loan**”), and cash consideration of US\$6.0 million (approximately S\$8.1 million) for the acquisition of the Rights.

The Company’s share of the Purchase Consideration shall be S\$38.2 million and the remaining S\$20.5 million shall be paid by Mr Khua.

The funding for the Company’s share of Purchase Consideration will be through a mix of Company’s internal resources, sales proceeds from the sale of apartment units, and debt financing to be secured by RCL.

As the apartment units are already semi-completed, it is envisaged that at least 70% of the proceeds from the sale of the apartment units can be collected upon the signing of the sale and purchase agreements for these apartment units, with the remaining purchase price to be paid based on an agreed schedule under the JVA.

In addition, if debt financing can be secured by RCL, funds from the loan may also be used for the payment of the Purchase Consideration. The loan may be repaid by the sales proceeds from the sale of the apartment units.

Please refer to the paragraph entitled ‘*Key Terms of the Agreements*’ and the section entitled ‘(iv) *Use of Sales Proceeds*’ for further information on the use of sales proceeds from the sale of the apartment units.

The Purchase Consideration was arrived at on a willing-buyer, willing-seller basis, taking into account, among other factors, the market conditions for residential properties in Ho Chi Minh City, Vietnam, and the location of the Project.

RATIONALE FOR THE PROJECT

The Directors believe that the Project is a strategic investment and that the Project will add tangible benefit and value to the Company.

The Project represents the Group’s maiden entry into the Property Business⁷. The Directors are of the view that the Project will provide an additional income stream to the Group and enhance shareholder value.

⁶ Based on an exchange rate of \$S1.00 to 16,188 Vietnam Dong as at 12 June 2015. Under the JVA between VID and RRE, VID will eventually acquire RCL from RRE for a total consideration of 820 billion Vietnam Dong.

⁷ As approved by the Company’s Shareholders at the Extraordinary General Meeting held on 3 November 2014, the Company’s businesses were diversified to include, *inter alia*, the new business of property ownership, development, management and investment (“**Property Business**”).

KEY TERMS OF THE AGREEMENTS

(i) Investment Method

Upon signing of the Agreements and the conclusion of satisfactory due diligence, CS shall lend a sum of S\$10.1 million to VID as initial payment for the Purchase Consideration. The terms of payment for the Purchase Consideration shall be in accordance to the payment schedule as set out in the JVA.

Further investments by CS, if necessary, shall also be made through loans to VID.

(ii) Safeguards and Collateral for the Loan

The Company and CS intend to implement the following controls and safeguards to secure the Loan:

a. Appoint staff of the Company to the boards of VID and RCL

CS shall have the right to appoint all directors for VID and RCL in accordance with the JVA.

b. Control of bank accounts

CS shall have the right to appoint all signatories for bank accounts of VID and RCL in accordance with the JVA.

In addition, all monies destined for RCL via VID shall be transferred directly from CS to RCL as an additional safeguard.

c. Assign bank accounts and proceeds in favour of the Company

All operating bank accounts and proceeds of VID and RCL shall be assigned to CS.

d. Appoint staff of the Company as general director and chief accountant of RCL

CS shall have the right to appoint the general director and chief accountant of RCL in accordance with the JVA. Under Vietnamese law, the general director is the company's legal representative and is responsible for signing all documents and reports.

(iii) Sale of Apartment Units

The sale of the apartment units shall commence when all necessary approvals and permits for such sale have been obtained.

(iv) Use of Sales Proceeds

CS shall be entitled to 100% of the benefits and losses of the Project. The proceeds from the sale of apartment units of the Project (the “**Sale Proceeds**”) shall be applied in the following sequence:

- a. payment of all government taxes and fees, including sales tax, income tax and licence fees;
- b. payment of the Purchase Consideration;
- c. repayment of principal and interest for loans (if any); and
- d. the balance shall be paid to CS under the Marketing Agreement.

In the event that the Sale Proceeds are not sufficient to pay for the aforesaid costs and expenses, the shortfall shall be borne by CS.

(v) Conditions Precedent

The Agreements are conditional upon the conclusion of satisfactory due diligence and fulfilment of various conditions precedent. In the event that the aforesaid conditions are not satisfied, the Agreements shall forthwith cease and the parties shall be released and discharged from their respective obligations under the Agreements.

FINANCIAL EFFECTS

The pro forma financial effects of the Project on the Group set out below are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014.

The pro forma financial effects are for illustrative purposes only, and do not reflect the actual future financial position of the Group following completion of the Project.

(i) Net tangible assets (“**NTA**”) per share

Assuming that the Project had been completed on 31 December 2014, the financial effects of the Project on the NTA of the Group are as follows:

	<u>Before the Project</u>	<u>After the Project</u>
NTA (S\$'000)	23,443	23,039 ⁸
Number of shares ('000)	1,950,619	1,950,619
NTA per share (S\$ cents)	1.20	1.18

⁸ The right to buy the entire share capital of RCL, acquired at a cost of US\$300,000 (approximately S\$404,000) is classified as an intangible asset.

(ii) Earnings/loss per share

Assuming that the Project had been completed on 1 January 2014, the financial effects of the Project on the results of the Group are as follows:

	<u>Before the Project</u>	<u>After the Project</u>
Net loss attributable to Shareholders (S\$'000)	(2,393)	(2,393)
Weighted average number of shares ('000)	1,533,681	1,533,681
Loss per share (S\$ cents)	(0.16)	(0.16)

RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

The relative figures computed on the bases set out in Rule 1006 of Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited in respect of the Project and based on the latest announced financial statements of the Group as at 31 December 2014 are as follows:

Rule 1006	Bases	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable. Rule 1006 (a) is not applicable to acquisition of assets.
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	Not applicable. No profits are attributable to the Project.
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	The Company's share of the Project Consideration of S\$38.2 million constitutes approximately 69.2% ⁹ of the Group's market capitalisation.
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable. The consideration is paid in cash.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is	Not applicable to the Group.

⁹ The Company's market capitalisation is based on the total number of shares in issue and the weighted average price of such shares transacted on 11 June 2015, being the market day immediately preceding the date of the Agreement.

Rule 1006	Bases	Relative Figure
	applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	

SERVICE AGREEMENT

No persons will be appointed to the board of directors of the Company in connection with the Project and no service contracts in relation thereto will be entered into by the Company.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Agreements will be made available for inspection during normal business hours at the Company's registered office at 52 Telok Blangah, #04-01 Telok Blangah House, Singapore 098829 for a period of three (3) months commencing from the date of this announcement.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly, in the above transaction, save through his shareholding in the Company (if any).

By Order of the Board

Chin Bay Ching
Chairman and Executive Director
12 June 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement.

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

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