

ADVENTUS HOLDINGS LIMITED
(Company Registration No. 200301072R)

RESPONSE TO QUERIES RECEIVED FROM SHAREHOLDERS

The Board of Directors (the “**Board**”) of Adventus Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) wishes to address and respond to the queries raised by shareholders in respect of the Company’s annual report (“**FY2021 AR**”) for the financial year ended 31 December 2021 (“**FY2021**”) prior to the upcoming annual general meeting for FY2021 that is to be held by electronic means on 27 April 2022 at 2.00 pm.

QUESTIONS FROM THE COMPANY’S SHAREHOLDERS

Question 1.

Company has gone through many long and difficult years trying to stay afloat with no light at the end of the tunnel. Shareholders have suffered likewise. Based on zero or limited revenue expected in 2022, what other additional steps or measures that the company are taking to remain viable as the covid pandemic remains an evolving uncertain scenario.

The Group’s focus has been on the Property and Hospitality business in the form of development projects, as opposed to the acquisition of completed buildings as the decision taken at the material time was that the development route would allow for greater costs management although this would come at the expense of having an existing revenue. This approach, while commercially logical, gave rise to considerable challenges because of the Covid-19 pandemic, with its attendant lock-downs and travel restrictions.

As countries around the World begin to evolve their response to Covid-19 from pandemic to endemic, the development of the Group’s 2 hotel projects has resumed and the Group is pressing ahead to complete these 2 projects as soon as practicable and viable so that the Group is able to commence sales and record revenue.

The Group does explore other possible business opportunities. That said, the priority of the Group is the completion of the 2 existing hospitality developments.

The Group has also taken measures to improve its funding and also to control administrative and other costs in order to maintain a sound foundation.

Question 2.

Company has not made any visible progress on its Resources and Minerals business segment for the past 1 to 2 years. Is it because the company lacks the capability to explore in this area? Previous Chairman, Mr Teh’s new strategic direction has also failed to map out accordingly.

While the Group has always been open to new business opportunities and ideas it has also maintained a conservative, careful and prudent approach in pursuing business opportunities. This is particularly so where the Group is looking at a new and different business segment in which the Group is less familiar..

Given current events, in particular the war in Ukraine, inflation and an environment of rising interest rates, the commodities market is volatile and faces a degree of uncertainty. The Group’s management has therefore decided that it is not beneficial or ideal for the Group to commit its resources to pursue this business presently.

Question 3.

What is the projected Capex for 2022? Is the recent S\$3.1mil placement exercise sufficient till both the hotels are fully operational hopefully by end of 2022?

The projected Capital Expenditure (“Capex”) for FY2022 would be approximately S\$15.5 million. The Group’s management believes that the proceeds from the recent placement exercise (completed on 12 April 2022) coupled with its financing facilities should be adequate for the Group’s working capital purpose and to fund the construction of both the hotels.

Question 4.

Total Loans receivables from NCI is about 6mill. When can this be fully collected?

The principal portion of the loan receivable from non-controlling interest shareholders (“NCI”) was repaid by way of the transfer of 51% of equity shares in Hoi An Pearl Joint Stock Company to ADV S2 Private Limited, a wholly-owned subsidiary of the Group - see the Group’s announcements on 28 March 2022.

Question 5.

There is no announcement on SGX website on who are the placees in the recent private placement. Shouldn't the company publish this list in line with corporate governance and transparency?

Pursuant to Rule 810(2) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”), where no placement agent is appointed for the issue or where a placement agent is appointed but is subject to any restrictions and directions imposed by the issuer regarding the identities of and/or the allocation to the placees, the issuer must also include in its announcement: (a) the identities of the placees and the number of shares placed to each of them; (b) details on how the placees were identified and the rationale for placing to them; and (c) the restrictions and/or directions imposed on the placement agent by the issuer regarding the identities of and/or the allocation to the placees, where applicable.

Referring to placement announcement made by the Group on 31 March 2022, SAC Capital Private Limited was engaged to act as the placement agent for the recent private placement exercise and the Group has not imposed any restrictions and directions with regards to the identities of and/or the allocation to the placees. As such, the Group is not required to disclose the identities of the placees.

Question 6.

Why did the board decide on private placement to raise funds instead of raising funds through other means or a right issue since the placement was pretty dilutive (about 25% dilution)?

The Board of Directors had considered the various possible fund raising and financing options, and each was evaluated taking into consideration its availability, amount, speed, costs, benefits and transaction execution risks. The Board reached the decision that on balance the placement was the most feasible option in the circumstances, especially given the time constraints. This recent placement exercise will also address the Group’s need for immediate funding to complete the hotel developments and to bolster the Group’s liquidity position so as to address any going concern consideration for the next 12 months (i.e. from the date of the financial statements or 8 April 2022).

BY ORDER OF THE BOARD

Loh Eu Tse Derek
Non-Executive Independent Chairman
22 April 2022

*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 rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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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