

ADVENTUS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number 200301072R

CLARIFICATION ON DIFFERENCES BETWEEN UNAUDITED FINANCIAL RESULTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors (the “**Directors**”) of Adventus Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to the unaudited full year results announcement for the financial year ended 31 December 2018 released on 01 March 2019 (the “**Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company would like to announce and clarify the material variances between the Unaudited Results and the audited financial statements for the financial year ended 31 December 2018 (“**Audited Financial Statements**”).

The material variances between the Audited Financial Statements and the Unaudited Results, and the explanations thereon, are set out below in this announcement.

By order of the Board

Chin Bay Ching
Chairman and Executive Director
15 April 2019

*This announcement has 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**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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. The contact person for the Sponsor is:-

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Consolidated Statement of Financial Position as at 31 December 2018

	Audited S\$	Unaudited S\$	Variance S\$	Notes
<u>NON-CURRENT ASSETS</u>				
Other receivables and prepayments	5,825,373	-	5,825,373	(1)
Prepaid leases	1,728,043	-	1,728,043	(1)
Joint venture	3,037,483	-	3,037,483	(2)
Property, plant and equipment	18,962,068	30,283,484	(11,321,416)	(1)
<u>CURRENT LIABILITIES</u>				
Other payables	11,422,334	2,810,879	8,611,455	(2)
<u>CAPITAL AND RESERVES</u>				
Other reserves	(3,806,173)	-	(3,806,173)	(2)
Non-controlling interests	10,435,318	17,026,944	(6,591,626)	(1)
	<u>26,559,168</u>	<u>35,853,059</u>	<u>(9,293,891)</u>	

Notes:

- (1) Property, plant and equipment has been reclassified specifically into advances to contractors and prepaid leases arising from land use rights located in Vietnam. In addition, the results of the joint venture was incorrectly consolidated previously and has since been deconsolidated in the Audited Accounts.
- (2) The increase in other payables relates to amount due to non-controlling interests, which comprises investment in one of the subsidiary amounting to \$3,806,173 and investment in joint venture of \$3,037,483 which remains unpaid as at end of the reporting period. The remaining adjustments were due to additional accruals recognized subsequent to the result announcement when the audited accounts were finalized.

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2018

	Audited	Unaudited	Variance	Notes
	S\$	S\$	S\$	
Other operating income	648,956	92,572	556,384	(3)
Other income / (expenses)	-	302,579	(302,579)	(4)
Administrative costs	(1,428,804)	(2,394,151)	965,347	(5)

Notes:

- (3) The increase in other operating income is mainly due to a reclassification from other income / (expenses) and interest income arising from the loan receivables from non-controlling interests.
- (4) The amount of S\$302,579 has been reclassified into other operating income.
- (5) The decrease in administrative costs is due to an elimination of interest waiver on loan to subsidiary at group level in the Audited Accounts. This was overstated in the unaudited result announcement.

Consolidated Statement of Cash Flow for the financial year ended 31 December 2018

	Audited S\$	Unaudited S\$	Variance S\$	Notes
Operating activities				
Other receivables	(69,156)	(6,912,973)	6,843,817	(6)
Other payables	3,689,052	1,938,673	1,750,379	(7)
			-	
Investing activities				
Acquisition of property, plant and equipment	(5,985,863)	(18,187,872)	12,202,009	(8)
Prepaid leases	(1,782,757)	-	(1,782,757)	(8)
Prepayment for acquisition of property, plant and equipment	(5,825,373)	-	(5,825,373)	(8)
Loan receivables from non-controlling interests	(3,037,483)	-	(3,037,483)	(6)
			-	
Financing activities				
Contributions from non-controlling shareholders for acquisition of assets	5,417,264	-	5,417,264	(6)
Proceeds on issuance of shares of subsidiary to non-controlling shareholders	-	15,717,022	(15,717,022)	(6), (8)

Notes:

- (6) The variance pertains to two (2) investments in which the Group invested in the form of a loan with an outside party, each with a loan agreement amounting to \$3,806,173 and \$3,037,483. The former has been recognized as an offset to contributions from non-controlling shareholders for acquisition of assets while the latter has been reflected as an investing activity.
- (7) The increase in other payables arose from additional accruals recognized subsequent to the result announcement when the audited accounts were finalized.
- (8) These were reclassification of assets which relates to the investments in Vietnam. At the same time, the results of the joint venture were incorrectly consolidated previously and has since been deconsolidated in the Audited Accounts, accordingly amendments were made to the Group's statement of cash flows.