

Adventus
Adventus Holdings Limited
Annual Report 2021

CORPORATE INFORMATION

REGISTERED OFFICE

52 Telok Blangah Road
#03-06 Telok Blangah House
Singapore 098829
Tel: (65) 6382 2110
Fax: (65) 6382 2420

BOARD OF DIRECTORS

Mr Loh Eu Tse Derek (Chairman)
Mr Chin Rui Xiang
Mr Gersom G Vetuz
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 Gersom G Vetuz
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
80 Robinson Road
#02-00
Singapore 068898
Tel: +65 6236 3333
Fax: +65 6236 4399
Email: info@sg.tricorglobal.com

BANKERS

DBS Bank Ltd
United Overseas Bank Limited

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
Public Accountants and Chartered
Accountants
80 Robinson Road
#25-00
Singapore 068898
Director-in-charge: Ms Chan Siew Ting
(Appointed since financial year ended 31
December 2020)

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay
#24-02
Singapore 048580
sponsor@rhtgoc.com
Registered Professional: Mr Khong Choun Mun

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**").

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.

The contact person for the Sponsor is Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

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CHAIRMAN'S MESSAGE

“On behalf of my fellow board members, I present the annual report for Adventus Holdings Limited and its subsidiaries (the “Company” or collectively the “Group”) for the financial year ended 31 December 2021 (“FY2021”).”

DEAR SHAREHOLDERS,

Since 2017 the Group has been focussed on the Property and Hospitality business and the Group's resources has been allocated to reflect this. The Group's current Property and Hospitality projects are located in Vietnam, namely the Da Nang 5-Star Hotel Development and Hoi An 5-Star Resort project, both of which commenced in 2018.

For the past 24 months, the COVID-19 Pandemic has affected the Group and its core business significantly. The effective absence of tourism in Vietnam as well as frequent lock downs and regulations in relation to groupings meant that the Group's Property and Hospitality projects delayed and disrupted.

Whilst the construction works for the 2 projects had moved at a slower pace, nonetheless headway was made with the development of both hotels reaching their final stages. The Management believes that the works will be completed by end of this year, and the hotels operational in the coming year. The Board will keep a close eye on the progress of the works and will keep shareholders updated accordingly.

During this period, the Group's focus was on the safety and well-being of our employees as well as managing costs. As most of the Group's business is outside of Singapore the Group access to grants and support was limited.

By reason of these events and circumstances, the Group recorded no revenue for the year. Management did its best to control administrative and other cost and achieved a similar level of cost as the prior financial year.

Looking ahead, as the governments in many countries coming to the conclusion that Covid-19 is endemic and that the World has to live with the virus, the Group believes tourism will gradually return, albeit with some fits and starts. There is, however, no expectation that the tourism sector in Vietnam will return to the pre-pandemic state in the coming financial year. The Group will closely track the changes in Vietnam's reopening as well as the consequent developments in Vietnam's hospitality industry in order to ascertain the most opportune time to commence operations.

Separately the war in Ukraine, inflation and rising interest rates are matters of concern as they will affect construction works and the tourism industry. The Board will monitor these events and will seek updates from Management as to their effects on the Group.

Apart from its existing business and hospitality developments in Vietnam, the Group continues to actively seek other business opportunities, always adopting a prudent and careful approach. The Company will keep shareholders informed of developments via announcements as necessary.

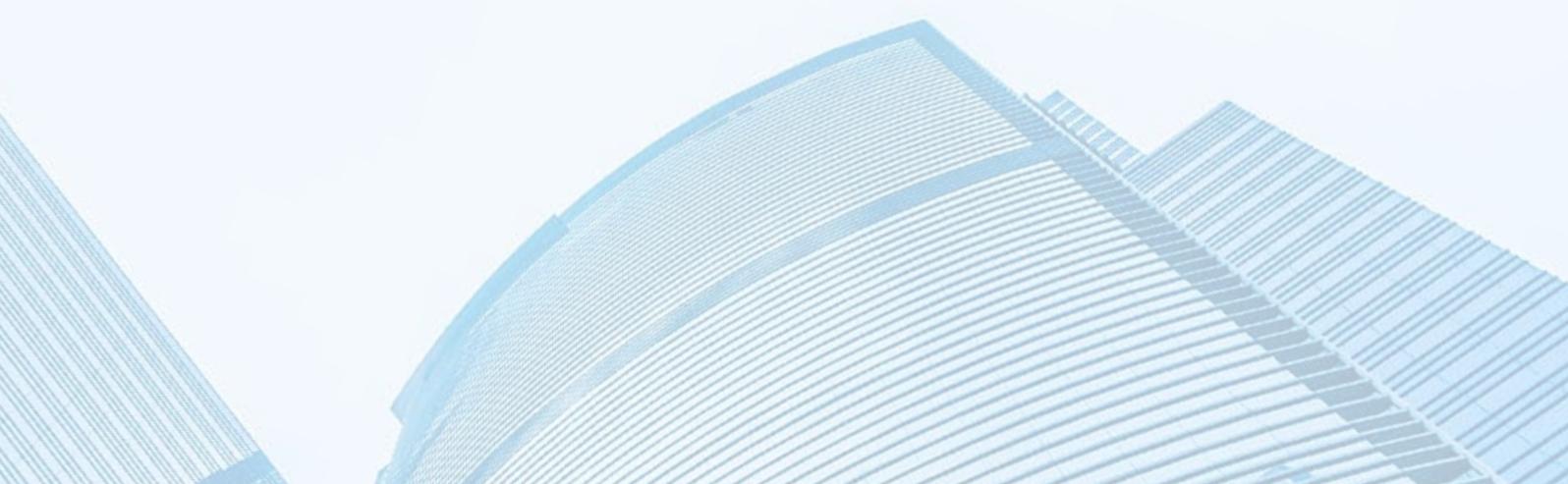
It has been a difficult period for the Group and I am grateful that the management has done its best to mitigate the worst effects of the pandemic. The Board believes that the business environment for the Group will improve and that the Group's focus should shift accordingly.

Most importantly I must thank each and every one of our shareholders, employees and business partners for their patience and fortitude throughout one of the most difficult events in recent memory.

I wish everyone all health, peace and serenity.

Derek Loh

Non-Executive Independent Chairman



BOARD OF DIRECTORS

Mr Derek Loh Eu Tse

Non-Executive Independent Chairman

Mr Loh was appointed as Non-Executive Independent Director of the Company on 25 July 2014 and re-designated to Non-Executive Independent Chairmen on 10 September 2021. He remains as Chairman of Nominating Committee and 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 other listed companies including Kingmen Creatives Ltd, Memiontec Holdings Ltd and Vibrant Group Limited.

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.

BOARD OF DIRECTORS

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 and Nomination 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 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 is a senior banker with over 30 years of banking experience in international banks and Singapore's longest established bank, OCBC Bank. His experience and expertise span across syndicated loans, project financing, structured trade financing and mergers and acquisitions. He is particularly well 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 banking in June 2016 as a Senior Vice President with Maybank. Currently, he sits on the Board of listed companies in Singapore and abroad, including Koyo International Limited, Union Steel Holdings Limited, K2 F&B Holdings Limited and International Cement Group Limited.

Mr Wong is dedicated to contributing to civic organizations 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.

Mr Wong holds a Master of Business Administration degree from Brunel University, London and an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors.

KEY MANAGEMENT

Mr Wong Sonny Wing Doug

Project Director

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

Mr Wong has professional 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.

Mr Yau Woon Soon

Chief Financial Officer

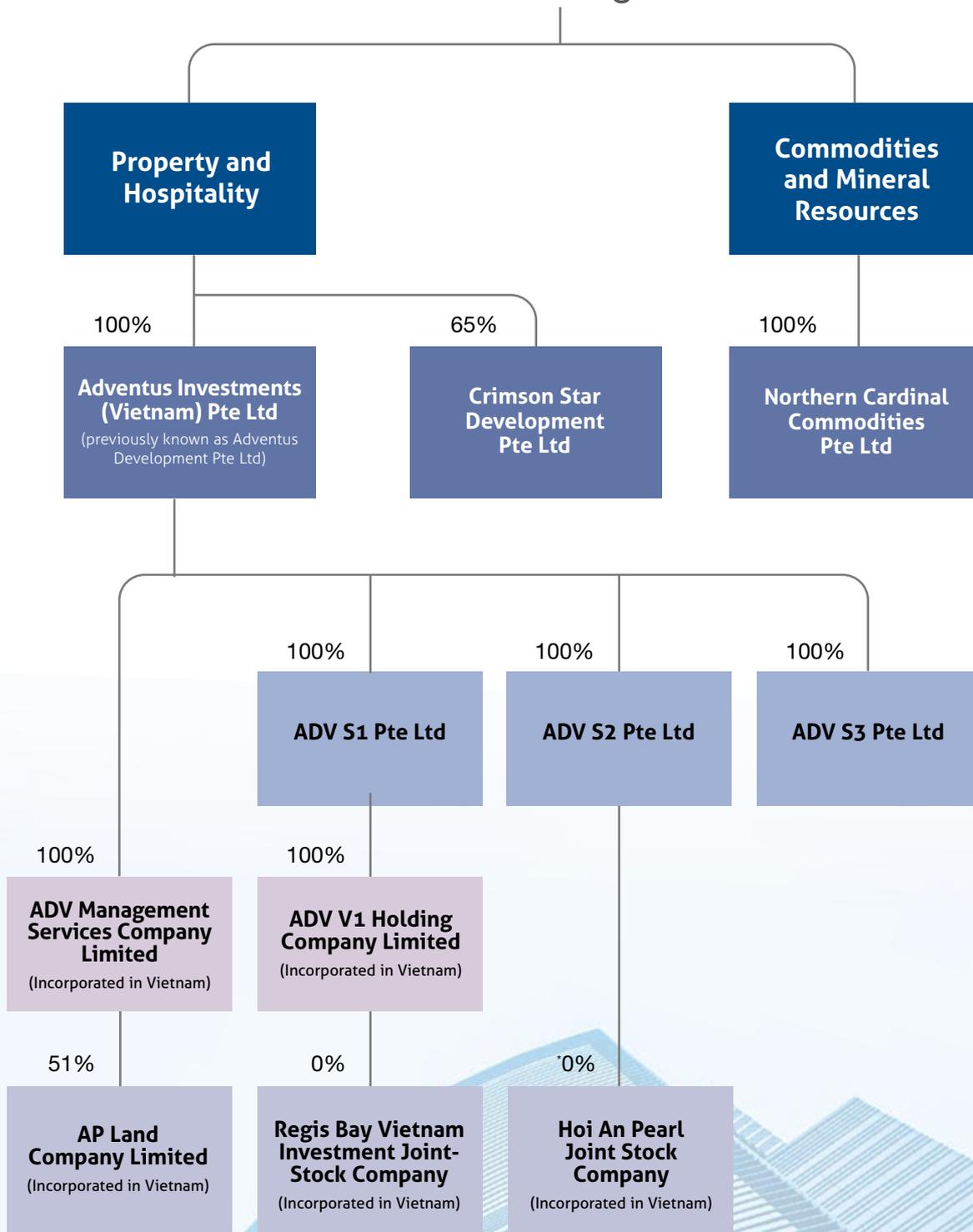
Mr. Yau Woon Soon joined the Company as the Chief Financial Officer with effect from 18 August 2020. He is responsible for the overall financial, accounting, compliance reporting and internal control functions of our Group. He is also in-charge of liaising with and reporting to our Audit Committee on the Group's accounting and financial matters. Mr. Yau started his career as an auditor with Ernst & Young and subsequently joined Shell Business Operations as a management accountant.

Mr. Yau is a non-practising member of the Association of Chartered Certified Accountants.

CORPORATE STRUCTURE



Adventus Holdings Limited



* Effectively 51% owned with effect from 25 March 2022



CORPORATE GOVERNANCE REPORT

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 revised Code of Corporate Governance 2018 (“**2018 Code**”) and the accompanying Practice Guidance and where applicable, the Catalist Rules.

In accordance with Rule 710 of the Catalist Rules, this report (“**CG Report**”) sets out the Company’s corporate governance practices with specific reference to the principles and the provisions of the 2018 Code, which was set out in the Catalist Rules in 6 August 2018, following from the publication of the 2018 Code by the Monetary Authority of Singapore. The Company believes that it has largely complied with the spirit and intent of the 2018 Code and in areas where the Company’s practices have deviated from the 2018 Code, the rationale for the same is provided herein.

The 2018 Code is divided into five main sections, namely:

- A. BOARD MATTERS**
- B. REMUNERATION MATTERS**
- C. ACCOUNTABILITY AND AUDIT**
- D. SHAREHOLDER RIGHTS AND ENGAGEMENT**
- E. MANAGING STAKEHOLDERS RELATIONSHIPS**

(A) BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is responsible for setting the strategic, performance and business directions of the Group and is collectively responsible for its long-term success. The Board provides oversight to Management and is accountable to shareholders. Management also plays a pivotal role in providing Board members with complete, adequate and timely information to assist the directors in the fulfilment of their responsibilities.

During the financial year ended 31 December 2021 (“**FY2021**”), apart from its statutory duties, the Board performed the following:

- reviewing and setting the strategic direction and long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- reviewing and approving the Group’s annual budgets, major funding proposals, investment and divestment proposals and interested person transactions of a material nature;
- overseeing the business affairs of the Company and monitor the performance of the management;
- establishing and overseeing the processes of evaluating the adequacy of internal controls, risk management and financial reporting and compliance;

CORPORATE GOVERNANCE REPORT

- setting the Group's values and standards of conduct and ensuring the obligations to shareholders and other stakeholders are understood and duly met;
- considering sustainability issues such as environmental and social factors, as part of its strategic formulation;
- ensuring the Group's compliance with relevant laws, regulations, policies, directives, guidelines, internal codes of conduct and obligations to shareholders;
- ensuring accurate, adequate and timely reporting to, and communication with shareholders;
- approving all Board appointments or re-appointments and appointments of key management personnel as well as evaluating their performance and reviewing their compensation packages; and
- reviewing and approving the financial results of the Group and the audited financial statements and timely announcements of material transactions.

The Board exercise due diligence and independent judgement in dealing with the business affairs of the Group and is obliged to act in good faith. It works with management, its independent auditor and internal auditors to make objective decisions in the interest of the Group. The directors on the Board have the core competencies and diversity of experience to enable them to contribute effectively. The Board is also supported by three Board committees (as defined below) to facilitate the discharge of its functions to which it was delegated to execute specific areas of the Board responsibilities.

Each director is required to promptly disclose any conflict or potentially conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as it is practicable after the relevant facts have been come to his knowledge. On an annual basis, each director is also required to submit details of his associates for the purpose of monitoring interested person transactions. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest when the conflict-related matters is discussed, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he is abstain from voting in relation to the conflict-related matters.

Provision 1.2: Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

Newly appointed director will receive a thorough briefing by existing directors and management of the Company ("Management") on the Group's business, operation and governance practices. In compliance to the amended Catalist Rule 406(3)(a), newly appointed Directors who do not have prior experience as director of a public listed company in Singapore must undergo training courses organized by Singapore Institute of Directors ("SID") as prescribed by the Exchange.

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.

The Company will fund directors' participation at industry conferences, seminars or any training programme in connection with their duties as directors.

As and when there are changes to regulations and or accounting standards, the Company will arrange for the Board to be updated, either by the Company Secretary and/or its other professional consultants depending on the type of changes to the regulatory changes and the implications on the Company and/or the Director's continuing obligations and various requirements expected of a listed company. During FY2021, the Board received updates by the Company Secretary and continuing sponsor on updates relating to the changes in the Catalist Rules and Code. The independent auditor has briefed the Audit Committee members on developments in accounting and governance standards and Audit Committee members have provided such updates to the Board members.

CORPORATE GOVERNANCE REPORT

In addition, the Executive Chairman and/or 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.

Provision 1.3: The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board has established guidelines governing matters that require the Board's approval. A delegation of authority matrix provides clear directions to the Management on matters requiring the Board's specific approval. The matters require Board's approval include:

- (i) statutory requirement such as approval of annual report and financial statements;
- (ii) other requirements such as half year and full year results announcements;
- (iii) corporate strategic directions, strategies and action plans;
- (iv) issuance of key policies and key business initiatives;
- (v) authorization of acquisition / disposal and other material transactions;
- (vi) declaration of interim dividends and proposal of final dividends;
- (vii) convening of Shareholders' Meetings;
- (viii) any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

Provision 1.4: Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

The Board has delegated certain responsibilities to the three committees to assist in the execution of the Board responsibilities. These committees (each, a "Board Committee" and collectively, the "Board Committees") include: the Audit Committee (the "AC"), the Remuneration Committee (the "RC") and the Nominating Committee (the "NC").

Each Board Committee function within clearly defined terms of references and operating procedures, which will be reviewed on a regular basis by the Board to ensure adherence to the Code and Catalist Rules. The effectiveness of each committee will also be constantly reviewed by the Board. More information on the Board Committees can be found in the respective sections of the Board Committees in this CG Report. The Board Committees are required to report to the Board.

Further details on each Board Committee, including the composition, terms of reference, any delegation of the Board's authority and summary of the respective committee's activities are set out in the below sections of the CG Report.

Provision 1.5: Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

CORPORATE GOVERNANCE REPORT

The Board meets on a half yearly basis, and as and when circumstances required. During FY2021, the frequency 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 Loh Eu Tse Derek ⁽¹⁾	2	2	1	1
Mr Teh Chong Seng ⁽²⁾	2	2*	1*	1*
Mr Chin Rui Xiang	2	2*	1*	1*
Mr Gersom G Vetuz	2	2	1	1
Mr Wong Loke Tan	2	2	1	1

* Attendance by invitation of the respective Board Committee

Notes:

- (1) Mr Loh Eu Tse Derek was re-designated from Non-Executive Independent Director to Non-Executive Independent Chairman on 10 September 2021.
- (2) Mr Teh Chong Seng was re-designated from Executive Chairman and Executive Director to Non-Executive Director on 10 September 2021. He subsequently resigned as Non-Executive Director on 31 December 2021.

To facilitate the meetings, the Company's Constitution allow for meetings to be held through telephone and/or videoconference. The Company's Constitution and the Board Committees' Terms of References allow for decision/resolution to be passed by circulating resolutions/resolutions in writing.

The Board considers the attendance of the Directors at Board meetings as important but not the sole criterion in measuring their respective contributions. The provision of guidance and advice on matters relating to the Group are examples of factors that the Board takes into account when reviewing the contribution of each Director.

Provision 1.6: Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors are furnished with complete and adequate information related to agenda items in a timely manner for them to make informed decisions and discharge their duties and responsibilities.

The Board receives half yearly management financials statements, periodic cash flow projections, annual budget and explanation on material forecasts variances from Management. This is so to ensure that the Board is able to contribute meaningfully during Board meetings so to enable them to understand the business activities of the Company and oversee the Group's operational and financial performance. The Board is also kept appraised on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

Board papers prepared for each meeting are usually circulated prior to each meeting to allow sufficient time for review by the Directors. Directors are also entitled to request from Management additional information as needed and the Management shall provide the same in order for them to make informed decisions.

Provision 1.7: Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have separate and independent access to the Management and Company Secretary at all times. The Company Secretary is responsible for facilitating communications within the Board Committees, Board and Management, as well as attending all Board Committees and Board meetings and preparing the relevant minutes of such meetings. Prior to each meeting, the minutes of the previous Board Committees and Board meetings will be circulated in advance to all the respective Board Committee and Board members. The Company Secretary will also provide its advice on governance matters and ensure that the respective meetings are in accordance to the Constitution and applicable rules and regulations (such as the Companies Act 1967 of Singapore ("Companies Act") and the Catalist Rules) are complied with.

CORPORATE GOVERNANCE REPORT

Individually or collectively, for matters that affect the Group, Directors can obtain independent professional advice at the Company's expense where required. The appointments of such independent professional advisors are subject to approval of the Board.

The appointment and removal of the Company Secretary are subject to the approval of the Board.

BOARD COMPOSITION AND GUIDANCE

Principle 2 – The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1: An “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

At the date of this CG Report, the Board comprises of one (1) Executive Director and three (3) Non-Executive Independent Directors. The Chairman of the Board (Mr Loh Eu Tse Derek) is independent and the independent directors make up majority of the Board. The table below summarizes the Board composition and its Board Committees for FY2021 as follows:

Name of Directors	Designation	Audit Committee	Nominating Committee	Remuneration Committee
Mr Loh Eu Tse Derek ⁽¹⁾	Non-Executive Independent Chairman	Member	Chairman	Member
Mr Teh Chong Seng ⁽²⁾ (resigned on 31 December 2021)	Non-Executive Director	–	–	–
Mr Chin Rui Xiang	Executive Director	–	–	–
Mr Gersom G Vetuz	Non-Executive Independent Director	Chairman	Member	Member
Mr Wong Loke Tan	Non-Executive Independent Director	Member	Member	Chairman

Notes:

- (1) Mr Loh Eu Tse Derek was re-designated from Non-Executive Independent Director to Non-Executive Independent Chairman on 10 September 2021.
- (2) Mr Teh Chong Seng was re-designated from Executive Chairman and Executive Director to Non-Executive Director on 10 September 2021. He subsequently resigned as Non-Executive Director on 31 December 2021.

The Board considers the existence of relationships or circumstances, including those identifies by the 2018 Code and Catalyst Rules, that are relevant to determine whether a Director is independent. Pursuant to Catalyst Rule 406(3)(d), a director will not be independent if he is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years; if he has an immediate family member who is employed or has been employed by the Company or its related corporations for the past three financial years and whose remuneration is determined by the Remuneration Committee. When read with Practice Guidance 2 of the 2018 Code, which is also adopted by the Board, an independent director is defined as one who is independent in conduct, character and judgement, and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. In addition, the NC and the Board considers whether:

- i. the director (or an immediate family member) provided to or received from the Company and/or its subsidiaries any significant payments or material services, other than compensation for board service, in the current or immediate past financial year;
- ii. the director (or an immediate family member of the director) is or was a substantial shareholder or partner (with 5% or more stake) or executive officer or director of a third party providing or receiving significant payments or material services from the Company and/or subsidiaries in the current or immediate past financial year; or
- iii. the director (or an immediate family member of the director) is or has been directly associated with a substantial shareholder of the Company in the current or immediate past financial year;

CORPORATE GOVERNANCE REPORT

Each Non-Executive Independent Director is required to complete an annual declaration respectively to confirm their independence based on the guidelines set out in the 2018 Code.

The Non-Executive Independent Directors have confirmed that they do not have any relationship with the Company or its related corporations, its substantial 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.

Each of the Non-Executive Independent Directors had recused themselves from the Board's deliberations on their respective independence.

The Board recognizes that the Non-Executive Independent Directors may over time develop significant insights in the Group's business and operations, and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole.

Mr Gersom G Vetuz ("**Mr Gersom**"), who is the Non-Executive Independent Director of the Company, has served the Board beyond nine (9) years from the date of his first appointment. The Board (with Mr Gersom abstaining from the review) had rigorously reviewed and agreed that Mr Gersom had participated, deliberated and always expressed his views independently and objectively. The Board acknowledges that Mr Gersom brings invaluable expertise, experience and knowledge to the Board. Mr Gersom 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 remains independent in terms of character and judgement and can continue to be considered independent director. The NC further noted that there were no relationships or circumstances which affected or likely to affect his independence or the discharge of his responsibilities as independent director.

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules that came into effect on 1 January 2022, the appointment of an independent director who has served an aggregate period of more than nine (9) years (whether before or after listing) will be subject to a two-tier voting process. The continued appointment of such person as an independent director has to be approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer, and associates of such directors and chief executive officer.

At the Annual General Meeting held on 30 April 2021, the Company has sought shareholders' approval through a two-tiered voting process accordingly in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer, and associates of such directors and chief executive officer. Following the passing of resolutions regarding his continued appointment as independent director pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, Mr Gersom will continue to serve as an independent director, until the earlier of his retirement or resignation; or the conclusion of the third Annual General Meeting following the passing of the resolutions at the Annual General Meeting held on 30 April 2021.

Provision 2.2: Independent directors make up a majority of the Board where the Chairman is not independent.

The Chairman of the Board (Mr Loh Eu Tse Derek) is independent and the independent directors make up majority of the Board. The composition of the Board is reviewed on an annual basis by the Nominating Committee ("**NC**") to ensure that the Board collectively possess the necessary expertise for the effective functioning of and has the appropriate diversity mix to ensure that the power and authority of the Board does not vest in only one person.

Further details on each of the Board Committees, including their respective terms of reference are set out in the below sections of this CG Report.

Provision 2.3: Non-executive directors make up a majority of the Board.

Three (3) out of four (4) of the Board members, representing a majority, are Non-Executive Independent Directors. There are no alternate directors appointed to the Board as of the date of this CG Report.

Provision 2.4: The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The NC conducts its annual review on the size and composition of the Board which comprises members from different backgrounds and whose core competencies, qualifications, skills and experiences are extensive.

CORPORATE GOVERNANCE REPORT

Considering the current scope and nature of the Group's operations, the NC is satisfied that the Board composition and size is adequate to meet the Company's existing scope and the nature of its operations.

The Board collectively has the relevant competencies to facilitate effective decision making for the existing needs and demands of the Group's businesses.

The Company recognises and embraces the benefits of having diversity amongst its Board members to prevent the Board's decision-making processes from being dominated by any individual or group of individuals. In addition, this is to ensure that the Board has a balance and mix of skills, knowledge, experience and diversity of perspectives appropriate to the requirements of the Company's business. The selection of candidates are 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 upon the merits and contribution that the selected candidates will bring to the Board.

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

Provision 2.5: Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

During FY2021, the Non-Executive Independent Directors met periodically without the presence of the Management, the Executive Chairman and/or Executive Director to discuss and evaluate the performance of Management and thereafter, provide feedback to the Executive Chairman and/or Non-Executive Independent Chairman after such meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 – There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1: The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making

Provision 3.2: The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

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. The Executive Director is responsible for running the operations of the Company.

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

- (a) promoting a culture of openness and debate at the Board;
- (b) facilitating the effective contribution of all directors; and
- (c) promoting high standards of corporate governance.

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 independent auditor 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 auditor's report.

CORPORATE GOVERNANCE REPORT

Mr Teh Chong Seng (“**Mr Teh**”) discharged 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 Teh also exercises control over the quality and timeliness of information flow between 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 2018 Code.

On 10 September 2021, Mr Teh stepped down from his executive position with the Company but remained on the Board as a Non-Executive Director of the Company. He has been re-designated from Chairman and Executive Director of the Company to Non-Executive Director of the Company. Please refer to the Company’s announcement dated 10 September 2021. Mr Loh Eu Tse Derek (“**Mr Derek Loh**”) has appointed as the Chairman of the Board and has been re-designated from Non-Executive Independent Director to Non-Executive Independent Chairman of the Company on 10 September 2021. Mr Teh subsequently resigned as Non-Executive Director on 31 December 2021. Please refer to the Company’s announcement dated 15 December 2021.

Provision 3.3: The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Currently, the Company does not have a lead independent director as the Company does not have a CEO and majority of the Board comprises Non-Executive Independent Director. Matters in relation to remuneration, succession, and audit are deliberated by the respective Board Committees that comprises Independent Directors only. However, in the event circumstances arise where the Chairman is conflicted, the Chairman will recuse himself from voting. If there is any query or request on any matters which requires a lead independent director’s attention, the Board will look to appoint and/or redesignate an existing independent director to become a lead independent director to provide oversight and leadership. As of date of this CG Report, there has been no such scenarios where the Chairman is conflicted and no query or request on any matters which requires a lead independent’s attention.

BOARD MEMBERSHIP

Principle 4 – The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.2: The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The NC currently comprises three (3) Non-Executive Independent Directors, all of whom, including the NC Chairman, are independent. The NC members as at the date of this Annual Report are:

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

Provision 4.1: The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The key written terms of reference of the NC are as follows:

- (a) review and recommend the Board’s structure, size and composition;
- (b) identify suitable candidates and to review all nominations for appointments and re-election to the Board;

CORPORATE GOVERNANCE REPORT

- (c) determine the independent status of the directors annually;
- (d) determine whether a director is able to and has been adequately carrying out his duties and responsibilities as a director of the Company, including time and effort contributed to the Company, attendance at meetings of the Board and Board Committees, participation and contributions at meetings, and taking into consideration the Director's number of listed company board representations and other principal commitments;
- (e) evaluate the performance and effectiveness of the Board as a whole, the Board Committees and the contribution of each director;
- (f) review of board succession plans for directors, in particular, the Chairman and CEO (if any) and key management personnel and makes recommendations to the Board with regards to any adjustments that are deemed necessary;
- (g) review the training and professional development programmes for the Board and key management personnel from time to time; and
- (h) review, as appropriate, the independence of any director who has served on the Board beyond nine years from the date of his first appointment.

For the review of succession plan and Board's composition for FY2021, the NC also took into consideration the amendments to the Catalyst Rules that came into effect from 1 January 2022 in relation to the continued appointment of an Independent Director who has served for an aggregate period of more than nine years.

Provision 4.3: The company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

In consultation with the Board on the appointment of new directors, taking into account the future needs of the Company, the NC will review the existing Board composition, strength and capabilities of each director towards the Group and the Board. The NC is responsible for identifying candidates and reviewing all nominations for the appointments of new directors.

The Company has established the following process for the selection and appointment of new directors:

- (1) In consultation with the Board, identifies the current needs and inadequacies of the Board requires to complement and strengthen the Board. The NC will determine the competencies required for the new appointment after such consultations.
- (2) In its search and selection process for new directors, the NC taps on the resources of directors' personal contacts and recommendations of potential candidates.
- (3) 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 caliber to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.
- (4) The NC then meets and interviews the shortlisted candidates to assess their suitability before nominating the most suitable candidate to the Board for approval and appointment as director.

After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new Director.

There was no new director appointed to the Board in FY2021.

The NC also ensures compliance with the provisions of the Company's Constitution. In accordance with the Company's Constitution (the "**Constitution**"), the new directors who are appointed by the Board are subject to re-election by shareholders at the first opportunity after their appointment. The Constitution also provide that at least one third of the remaining directors be subject to re-election by rotation at each Annual General Meeting ("**AGM**"). Accordingly, the Directors submit themselves for re-nomination and re-election at least once every three (3) years. This will enable all shareholders to exercise their rights in selecting all Board members.

Apart from the requirements of the Constitution, 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.

CORPORATE GOVERNANCE REPORT

The NC had reviewed and recommended, with the concurrence of the Board, for the following Directors who 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. Please refer to the table below for summarized details of the directors to be re-appointed in the forthcoming AGM:

Name of Director	Appointment	Date appointed	Article of the Constitution
Mr Chin Rui Xiang ⁽¹⁾	Executive Director	14 March 2018	Article 95
Mr Wong Loke Tan ⁽²⁾	Non-Executive Independent Director	11 May 2017	Article 95

(1) Mr Chin Rui Xiang is the son of the controlling shareholder of the Company, Mr Chin Bay Ching. Apart from that, there is no relationship (including immediate family relationships) between Mr Chin Rui Xiang and with other Directors, the Company or its 10% shareholders.

(2) There is no relationship (including immediate family relationships) between Mr Wong Loke Tan and with the other Directors, the Company or its 10% shareholders.

Full details on the resolutions put forth on the above Directors proposed re-election and re-appointments can be found in the Notice of AGM for FY2021.

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.

Provision 4.4: The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

Each independent director will confirm his independence (or otherwise) based on an annual declaration to confirm his Confirmation of Independence declaration annually as set out under Provision 2.1 above. The NC will review the respective declarations with reference to the guidelines set out in the Code and Catalist Rules, as well as any other salient factors which would render a Director to not be independent.

The Board, after taking into consideration the views of the NC, is of the view that Mr Gersom G Vetuz, Mr Loh Eu Tse Derek and Mr Wong Loke Tan (collectively, "IDs") are independent, having considered that there are no relationships between the IDs and the Group, its substantial shareholders or its officers, if any, which may affect their independence, and that, no individual or small group of individual dominates the Board's decision-making process.

During FY2021, there was no alternate director on the Board.

Provision 4.5: The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

CORPORATE GOVERNANCE REPORT

All Directors are required to declare their board representations. 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:

Name of director	Date of initial appointment	Date re-elected as director	Current directorships in other listed companies	Past directorships in other listed companies (preceding three years)	Details of other principal commitments, if any
Mr Chin Rui Xiang	14 March 2018	29 June 2020	–	–	–
Mr Gersom G Vetuz	15 September 2008	30 April 2021	–	–	–
Mr Loh Eu Tse Derek	25 July 2014	30 April 2021	Kingsmen Creatives Ltd Memiontec Holdings Ltd Vibrant Group Limited	DISA Limited Federal International (2000) Ltd Kitchen Culture Holdings Ltd. K2 F&B Holdings Limited Metech International Limited Vietnam Enterprise Investments Limited	Directorship: TSMP Law Corporation Singapore Camembert Holdings Pte Ltd Other Principal Commitments: St. Joseph's Institution International Elementary School Ltd. St. Joseph's Institution International Ltd. St. Joseph's Institution Philanthropic Fund for the Lasallian Mission Ltd
Mr Wong Loke Tan	11 May 2017	29 June 2020	International Cement Group Limited K2 F&B Holdings Limited Koyo International Limited Union Steel Holdings Limited	–	Directorship: AEL Enviro (Asia) Pte Ltd ⁽¹⁾ Aluform Marketing Pte Ltd ⁽¹⁾ Compact Metal Industries Pte Ltd ⁽¹⁾ Compact Metal Ind Pte Ltd ⁽¹⁾ Facademaster Pte Ltd ⁽¹⁾ Integrate Marketing Pte Ltd ⁽¹⁾ Integrate Private Limited ⁽¹⁾

⁽¹⁾ Direct/indirect subsidiary(ies) of International Cement Group Limited

CORPORATE GOVERNANCE REPORT

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 despite the directors with multiple board representations, they have given adequate time and attention to the Company's affairs during the year under review.

Although the 2018 Code requires listed companies to fix the maximum number of board representations on other listed companies, the NC has decided not to fix a maximum limit on the number of directorships a director may hold as time requirements of each director are subjective. 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. However, in the event that the NC is of the view that the Director is not able to and has not been adequately carrying out his duties due to his commitments, the Chairman of the Board will discuss the issue with the Director to ensure that adequate time and attention can be devoted to the affairs 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 periodically, 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.

BOARD PERFORMANCE

Principle 5 – The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1: The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Provision 5.2: The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

As at the date of this CG 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 checklists and questionnaires 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. The Board would conversely evaluate the performance of the NC. Following the review, the NC considered the performance and effectiveness of each director, the Board committees and current Board as a whole to be operating 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.

Each member of the NC abstains from voting or reviewing of any matters in respect of matters in which they have an interest (i.e. assessment of their performance or re-appointment as a Director of the Company).

No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6 – The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.2: The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

The RC currently comprises three (3) non-executive directors, all of whom including the RC Chairman are independent. The RC members as at the date of this CG Report are:

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

Provision 6.1: The Board establishes a Remuneration Committee (“RC”) to review and make recommendations to the Board on:

- (a) A framework of remuneration for the Board and key management personnel; and**
- (b) The specific remuneration packages for each director as well as for the key management personnel.**

The RC’s key terms of reference are as follows:

- (a) the review and recommendation to the Board for approval the policy for determining the remuneration of the key executives of the Group, including that of the Executive Director and key management personnel;
- (b) the review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programs including the terms of renewal for those Executive Directors;
- (c) the review and recommendation to the Board a general framework of remuneration for the Board and key management personnel;
- (d) the review and recommendation of specific remuneration package for each director, key management personnel and any relative of a director and/or substantial shareholder who is employed in a managerial position by the Company;
- (e) 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);
- (f) 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;
- (g) 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; and
- (h) investigate any matter within its terms of reference with expert advice within and/outside the Company, where necessary.

The RC’s responsibilities 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 FY2021.

CORPORATE GOVERNANCE REPORT

Provision 6.3: The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

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.

Each member of the RC abstains from voting on any resolutions and making any recommendation, deliberation and/or participating in respect of matters in which they have an interest (including any employee related to him).

Provision 6.4: The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

During FY2021, the RC did not require the services of an external remuneration consultant. Nevertheless, the RC has explicit authority to investigate any matter within its terms of reference and to seek external advice should such need arise, at the Company's expense.

LEVEL AND MIX OF REMUNERATION

Principle 7 – The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1: A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

Provision 7.3: Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The Company adopted the objectives as recommended by the 2018 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 following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Director and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	Short-term incentive (such as performance bonus)
Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Job performance
Quantitative	Profit before tax

CORPORATE GOVERNANCE REPORT

The Company had taken appropriate and meaningful measures in assessing the performance of Executive Directors and key management personnel.

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 Rui Xiang, the Executive Director of the Company, has entered into separate service agreement with the Company which is reviewed annually (unless otherwise terminated by either party giving not less than three (3) months’ notice to the other). The service agreement covers the terms of employment and specifically, the salary and bonus.

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 Director owe a fiduciary duty to the Company. The Company should be able to avail itself to all available actions against the executive director in the event of such breach of fiduciary duties.

The RC has reviewed and is satisfied that the performance conditions were met for FY2021.

Provision 7.2: The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The Non-Executive Independent Directors do not have any service agreements with the Company. Except for directors’ fees, must be approved by shareholders at AGMs, the Non-Executive Independent Directors do not receive any other forms of remuneration from the Company.

The fees for the financial year in review are determined in the current financial year, proposed by the Management, submitted to the RC for review and thereafter recommended to the Board for approval.

The RC has reviewed and assessed that the remuneration of the Non-Executive Independent Directors for FY2021 is appropriate, considering the effort, time spent and responsibilities of the said Directors.

Following the passing of the resolution at the Annual General Meeting held on 30 April 2021, the Directors’ Fees for FY2021 has been paid on a quarterly basis.

DISCLOSURE ON REMUNERATION

Principle 8 – The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1: The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) **each individual director and the CEO; and**
- (b) **at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.**

CORPORATE GOVERNANCE REPORT

The breakdown of the remuneration paid to the Directors for FY2021 is as follows:

Table A

Name of director	Salary ⁽¹⁾	Bonus ⁽²⁾	Directors' fees ⁽³⁾	Total remuneration (S\$'000)
Mr Teh Chong Seng ⁽⁴⁾	100%	–	–	80
Mr Chin Rui Xiang	100%	–	–	156
Mr Loh Eu Tse Derek	–	–	100%	40
Mr Gersom G Vetuz	–	–	100%	45
Mr Wong Loke Tan	–	–	100%	40

Notes:

- (1) Salary is inclusive of allowances, CPF and other emoluments.
- (2) Bonus is inclusive of CPF.
- (3) Directors' fees paid in cash, in 2022, for being a Director in FY2021. The Directors' fees for FY2021 has been approved by the shareholders at the AGM of the Company held on 30 April 2021.
- (4) Mr Teh Chong Seng's remuneration had been prorated accordingly as he was re-designated from Chairman and Executive Director of the Company to Non-Executive Director of the Company on 10 September 2021 and resigned as the Non-Executive Director of the Company on 31 December 2021.

There are currently no termination, retirement, or post-employment benefits that may be granted to the Directors.

The Company has two key management personnel (who are not directors or the CEO) during the year. The aggregate remuneration paid to both key management personnel in FY2021 is S\$333,975.

The profile of the key management personnel is set out on page 6.

The remuneration of each of the key management personnel of the Group (who are not directors or the CEO) for FY2021 is as follows:

Remuneration band of key management personnel	Salary ⁽¹⁾	Bonus ⁽²⁾
<u>Between \$200,000 and \$250,000</u>		
Mr Wong Sonny Wing Doug	92%	8%
<u>Between \$100,000 and \$150,000</u>		
Mr Yau Woon Soon	92%	8%

Notes:

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

CORPORATE GOVERNANCE REPORT

Provision 8.2: The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

During the financial year, there was one (1) employee within the Group who is immediate family member of the Executive Director and Controlling Shareholder and whose annual remuneration (as disclosed in the table above) exceeds S\$100,000.

1. Mr Wong Wing Doug, whom is son-in-law to the Controlling Shareholder, Mr Chin Bay Ching and brother-in-law to the Executive Director, Mr Chin Rui Xiang.

Except as disclosed herein, there was no other employee related to substantial shareholders, director or CEO whose salary exceeded S\$100,000 in FY2021.

Provision 8.3: The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes

The breakdown of remuneration and other payments and benefits paid to the directors and key management personnel are found in the respective tables found in the section of this CG Report under Provision 8.1 Remuneration Report.

Adventus Employee Share Option Scheme (“Adventus ESOS”)

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 Catalyst Rules) are not eligible participate in the Scheme.

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

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 – The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1: The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

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.

CORPORATE GOVERNANCE REPORT

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.

Although the Company does not have a Risk Management Committee, 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.

Provision 9.2: The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) **the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and**
- (b) **the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.**

Confirmation of Internal Controls

The Board has received assurance from (a) the Executive Director and Chief Financial Officer 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) the Executive Director and other key management personnel who are responsible, 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, independent auditors and external certification firms and reviews performed by management, various Board Committees and the Board, with the concurrence of the AC, the Board is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective for FY2021.

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.

Following the close of FY2021, international bodies and national governments have imposed sanctions with the aim of achieving foreign policy or national security goals. Although the Group has principal place of business outside Singapore with customers overseas, none of the Group's person or entity is exposed to sanctions-related risks. The Board confirmed there has been no material change in its risk of being subject to any Sanctions Law. The Board's comment as aforementioned on the adequacy and effectiveness of internal controls and risk management systems included consideration related to any sanctions-related risk.

CORPORATE GOVERNANCE REPORT

In view of the changes in the risk appetite taking into consideration sanctions-related risk, the terms of reference of the Internal Auditors / External Auditors will be reviewed in due course. The Board and AC will be responsible for (a) monitoring the issuer's risk of becoming subject to, or violating, any Sanctions Law; and (b) ensuring timely and accurate disclosures to SGX and other relevant authorities.

AUDIT COMMITTEE

Principle 10 – The Board has an Audit Committee (“AC”) which discharges its duties objectively.

Provision 10.2: The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The AC currently comprises of three (3) non-executive directors, all of whom including the AC Chairman are independent. The AC members as at the date of this Annual Report are:

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 members of the AC (including the AC Chairman) has the relevant and related financial management experience or expertise. The Board considers Mr Gersom G Vetuz, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr Wong Loke Tan of the AC has relevant experience in project financing and Mr Loh Eu Tse Derek of the AC has relevant experience in legal practices.

Further details on the key information and profile of the respective AC members, including academic and professional qualifications, are set out under the “Board of Directors” section of the annual report.

Provision 10.1: The duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

The AC's key terms of reference are as follows:

- (a) review the independent auditor's audit plan, audit report and the independent auditor's evaluation of the system of internal accounting controls and assistance from management to the independent auditor;
- (b) review the financial statements before release to independent and relevant parties;
- (c) review the adequacy and effectiveness of the Group's internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and results of the internal audit procedures;

CORPORATE GOVERNANCE REPORT

- (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 independent auditor and seek to balance the maintenance of objectivity and value for money;
- (h) nominate the appointment of independent 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 is kept abreast by the Sponsor, the Management and Nexia TS Public Accounting Corporation ("**Nexia**"), the independent auditor, 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 meets at least twice a year and as frequently as is required, including AC meetings held 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 and interested person transactions.

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.

The AC reviews the independence and objectivity of independent auditor annually. The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the independent auditor and the work carried out by the independent auditor based on value for money consideration. During the financial year under review, Nexia was appointed to audit the accounts of the Company, its subsidiaries and its significant associated companies, if any. The AC has reviewed the independence and objectivity of Nexia as required under Section 206(1A) of the Companies Act and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditor.

During the financial year under review, the aggregate amount of fees payable to the independent auditors for the audit services amounted to S\$145,594. There were no fees paid by the Group or the Company to the independent 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, as well as reviewing the scope and quality of the independent auditor's work, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority, the AC has recommended the independent auditor to the Board for re-appointment. The AC also took into account the experience and resources of Nexia's other audit engagement, the partner that was assigned and the number and experience of the staff assigned in completing the audit. The AC is of the view that Nexia is able to meet its audit obligations, and together with the Board, recommends the re-appointment of Nexia in the forthcoming AGM.

The Company has in place a Whistle Blowing Policy to provide a channel for employees of the Group and independent parties to report, in good faith and in confidence, their concerns about possible improprieties relating to financial reporting or on other matters. The AC oversees the function in 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.

CORPORATE GOVERNANCE REPORT

The AC serves as the independent function responsible for oversight and monitoring of whistle-blowing and will investigate reports made in good faith. The Company is committed to ensure whistle-blowers who submit complaints or reports in good faith are protected against any discrimination, retaliation or harassment.

The Whistle Blowing Policy has been circulated to all employees. As at the date of this CG Report, there were no reports received through the whistle blowing mechanism. Reporting can be done by writing through email to adventus@whistleblower.com.sg.

Provision 10.3: The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation

The members of the AC collectively have strong accounting and related financial management expertise and experiences and are appropriately qualified to discharge their responsibilities. As at the date of this CG report, save for Mr Gersom G Vetuz, none of the former partners or directors of the Company's independent auditor's firm has been appointed as a member of the AC.

Provision 10.4: The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company

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 IA to perform its function.

The IA is a corporate member of the Institute of Internal Auditors of Singapore and the internal audit engagement is carried out in line with the standards as stipulated by the International Professional Practices Framework ("IPPF") as set out by the Institute 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. Based on the review of the internal audit function for FY2021, the AC is of the view that the IA is independent and has the appropriate standing and adequate resources to perform its function effectively and objectively.

Provision 10.5: The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

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

CORPORATE GOVERNANCE REPORT

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11 – The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1: The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. The Company will put all resolutions to vote by poll at the upcoming AGM in compliance with the Catalist Rule 730A(2). An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders. Each resolution will be tabled separately and voted on based on the respective resolution. The voting procedures are clearly explained during the general meetings.

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 developments 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.

To facilitate participation by the shareholders, the Constitution 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.

Due to the COVID-19 situation, the AGM in 2021 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Annual Report, Notice of AGM and Proxy form were made available to shareholders solely by electronic means via publication on SGXNET and the Company’s corporate website at the URL <https://www.adventusholdings.com/>. Shareholders could not attend the meeting in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on the Company’s corporate website and on SGXNET. In view of the continuing COVID-19 situation, the Company will be conducting the forthcoming AGM in the similar manner according to the relevant regulations.

Provision 11.2: The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting.

Resolutions requiring shareholders’ approval are tabled separately for adoption at the Company’s general meetings unless they are closely related and are more appropriately tabled together. Reasons and implication of why resolutions are bundled will be set out in the circulars sent out.

Provision 11.3: All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. Directors’ attendance at such meetings held during the financial year is disclosed in the company’s annual report.

The Company requires all Directors (including the respective Chairman of the Board Committees) to be present at all general meetings, unless of exigencies. The independent auditor are also required to be present to address shareholders’ queries about the conduct of audit and the preparation and content of the independent auditor’s report. All Directors attended the AGM for the Company’s financial year ended 31 December 2020 (“FY2020”) held on 30 April 2021.

CORPORATE GOVERNANCE REPORT

Provision 11.4: The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Voting in absentia such as voting via mails, electronic mails or facsimile at the general meetings may only be possible following careful scrutiny to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised and is also subject to legislative amendment to recognize electronic voting.

Provision 11.5: The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management

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 on the Company's corporate website as soon as practicable. During FY2021, the minutes of general meetings were announced on the SGXNet and made available on the Company's corporate website within one month from the general meetings. In addition, the Company published its responses to shareholders queries on SGXNET in advance of the AGM for FY2021.

Provision 11.6: The company has a dividend policy and communicates it to shareholders.

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.

Based on the Group and Company's financial performance for FY2021 and in light of the uncertainty and challenging economics crisis following the outbreak of COVID-19 pandemic, no dividend has been declared or recommended for FY2021.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12 – The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company

Provision 12.1: The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders

In line with the continuing obligations of the Company pursuant to the Catalist Rules and the Companies Act, 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, material developments and corporate transactions are first disseminated via SGXNET followed by a news release (where applicable). The Group issues announcements and news releases on an immediate basis as part of its continuous obligations pursuant to the Catalist Rules. Prior to the release of the announcements, if applicable and when required, the Company also completes and submits compliance checklists to its Sponsor to ensure that all announcements, circulars or letters to our shareholders comply with the requirements set out in the Catalist Rules.

Provision 12.2: The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

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 reports are announced or issued within the mandatory periods. However, any information that may be regarded as undisclosed material information about the Group will not be provided.

The Board regards the general meetings as opportunities to communicate directly with the shareholders and encourages greater shareholder participation. 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 encouraged to engage on the Board on topics such as interim updates on useful and relevant information (such as a discussion of the significant factors that affected the company's interim performance, relevant market trends including the risks and opportunities that may have a material impact on the company's prospects, etc.) so to better understand the Company's performance in the context of the current business environment. The Board will then be able to assess on whether the interim updates and the appropriate frequency of the updates to be provided to shareholders.

CORPORATE GOVERNANCE REPORT

Factoring the reasons above, the Company does not have an investor relations policy but has an internal team to assist in communication with its investors and shareholders.

Provision 12.3: The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

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.

The Company's website has contact details that includes email address and telephone number, for shareholders to contact the Company using either communication methods in the event they have any queries and by which the Company may respond.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13 – The Board adopts an inclusive approach by considering and balancing the needs and interest of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1: The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Provision 13.2: The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The Company has regularly engaged its stakeholders through various medium and channel to ensure that the business interest is aligned with those of the stakeholders, to understand and address the concerns so as to improve as well as to sustain business operations for long-term growth.

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.

Please refer to the Sustainability Report on pages 39 to 50 of the Annual Report for further details.

Provision 13.3: The company maintains a current corporate website to communicate and engage with stakeholders.

The Company has a corporate website to communicate and engage with all stakeholders. All material information on the performance and development of the Group and of the Company is also disclosed through SGXNET and the Company's website at URL www.adventusholdings.com, with the relevant contact details for all stakeholders to contact the Company via phone or e-mail.

COMPLIANCE WITH APPLICABLE CATALIST RULES

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. The Company will issue directive to all employees, including directors one (1) month before the date of the respective results announcement and ending on the date of the 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.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

In compliance with Catalist Rule 907, 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.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Catalist Rule 920 and there were no interested person transaction above S\$100,000 entered into by the Group during FY2021.

MATERIAL CONTRACTS

As stipulated in Catalist Rule 1204(8) to disclose the particulars of material contracts, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors or controlling shareholders which are either still subsisting at the end of FY2021 or if not then subsisting, entered into by the Company since FY2021.

NON-SPONSOR FEES

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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chin Rui Xiang and Mr Wong Loke Tan are the Directors seeking re-election at the forthcoming Annual General Meeting (“**AGM**”) of the Company to be convened by way of electronic means on 27 April 2022 (“**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 Chin Rui Xiang	Mr Wong Loke Tan
Date of Appointment	14 March 2018	11 May 2017
Date of last re-appointment	26 June 2020	26 June 2020
Age	30	66
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 Chin Rui Xiang as an Executive Director of the Company was recommended by the Nominating Committee 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.	The re-election of Mr Wong Loke Tan as the Non-Executive Independent Director of the Company was recommended by the Nominating Committee 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 Wong Loke Tan 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	Executive. Responsible for the business, management and operation of the Company and its subsidiaries.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Non-Executive Independent Director, Chairman of the Remuneration Committee and member of the Audit and Nominating Committees.
Professional qualifications	Bachelor of Building and Project Management programme (BBPM) which is a partnership program between Singapore University of Social Sciences and BCA Academy	Master of Business Administration, Brunel University, London and an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chin Rui Xiang	Mr Wong Loke Tan
Working experience and occupation(s) during the past 10 years	<p>March 2018 to Present Adventus Holdings Limited Executive Director</p> <p>June 2015 to May 2016 Adventus Holdings Business Development Executive</p> <p>April 2012 to May 2015 Bayhotel Singapore Maintenance Manager</p>	<p>July 2003 to June 2016 Maybank Singapore Senior Vice President Managing SME portfolio for Maybank Singapore</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	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	Son of Mr Chin Bay Ching (Controlling Shareholder of the Company)	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)	<ol style="list-style-type: none"> 1. River Isles Pte Ltd 2. Adventus Alliances & Solutions Pte Ltd 3. Keycap Investment Pte Ltd 	<ol style="list-style-type: none"> 1. AEL Enviro (Asia) Pte Ltd 2. Aluform Marketing Pte Ltd 3. Compact Metal Ind Pte Ltd 4. Facademaster Pte Ltd 5. Integrate Marketing Pte Ltd
Present	<ol style="list-style-type: none"> 1. Adventus Holdings Limited 2. Northern Cardinal Commodities Pte. Ltd. 3. Adventus Investments (Vietnam) Pte Ltd 4. ADV S1 Pte Ltd 5. ADV S2 Pte Ltd 6. ADV S3 Pte Ltd 7. Cathay Overseas International Pte Ltd 8. Crimson Star Development Pte Ltd <p><u>Other Principal Commitments (other than directorships)</u></p> <p>None</p>	<ol style="list-style-type: none"> 1. Adventus Holdings Limited 2. International Cement Group Limited 3. K2 F&B Holdings Limited 4. Koyo International Limited 5. Union Steel Holdings Limited 6. Compact Metal Industries Pte Ltd 7. Integrate Private Limited <p><u>Other Principal Commitments (other than directorships)</u></p> <p>None</p>

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chin Rui Xiang	Mr Wong Loke Tan
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chin Rui Xiang	Mr Wong Loke Tan
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	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Chin Rui Xiang	Mr Wong Loke Tan
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?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

SUSTAINABILITY REPORT

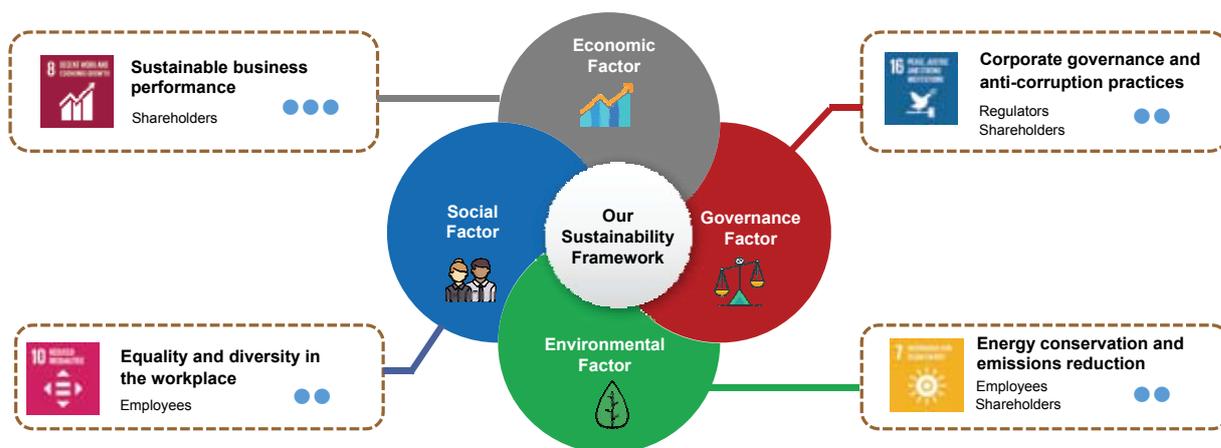
1. Board statement

We reaffirm our commitment to sustainability with the publication of our sustainability report (“**Report**”). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“**ESG**”) factors and economic performance (collectively as “**Sustainability Factors**”).

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 Sustainability 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 Sustainability 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 Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Our sustainability framework communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“**SDG**” or “**Global Goals**”) and creating long-term value for key stakeholders, comprising employees, regulators and shareholders. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDG as follows:



Reporting priority

●●● High ●● Medium ● Low

SUSTAINABILITY REPORT

A summary of our sustainability performance in FY2021 is as follows:

Sustainability Factor	Performance indicator	Sustainability performance	
		FY2021	FY2020
Economic	Revenue ¹	–	–
Environmental	Electricity consumption (kWh) per employee	643.04	623.75
	Indirect Greenhouse Gas (“GHG”) emissions (tonnes CO ₂ e) ²	11.03	10.41
	GHG emissions (tonnes CO ₂ e) per employee	0.46	0.43
Social	Number of reported incidents of unlawful discrimination ³ against employees	–	–
Governance	Number of incidents of serious offence ⁴	–	–

Following the resurgence of Coronavirus disease 2019 (“**COVID-19**” or “**Pandemic**”) in Vietnam, the construction for the Group’s developments in Vietnam has been subject to intermittent disruption due to the lockdowns imposed. As a result, we anticipate that the completion of our projects will be delayed further. We will continue to look for the right opportunities to diversify our business to create revenue streams. For our day-to-day operations, we comply with safety management measures directed by relevant authorities to protect our employees at the workplace.

2. Reporting framework

This Report has been prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards: Core option and the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) listing rules 711A and 711B. We have chosen the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found at section 9 of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDG, which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDG, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

While we have not sought external assurance for this sustainability report, we relied on internal data monitoring and verification to ensure its accuracy. We will seek external assurance for our sustainability reports in the future.

3. Reporting period

This Report is applicable for our Group’s financial year ended 31 December 2021 (“**FY2021**” or “**Reporting Period**”) and we will continue to publish a report annually in accordance with our SR Policy.

¹ The Group has no recurring revenue incurred as the construction for both developments in Da Nang and Hoi An of Vietnam have yet to be completed as of the end of the Reporting Period.

² GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the average emissions factors published by the relevant local authorities.

³ Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

⁴ A serious offence is defined as one that involves fraud or dishonesty amounting to not less than S\$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.

SUSTAINABILITY REPORT

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

Through an internal stakeholder mapping exercise, we have identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that can reasonably be expected to be significantly affected by our activities, products or services and whose actions can reasonably be expected to affect our ability to implement our strategies to achieve our objectives.

Our efforts on sustainability focus on creating sustainable value for our key stakeholders, which comprise employees, regulators and shareholders. Key stakeholders are determined for each material Sustainability 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	Frequency of engagement	Key concern raised
1	Employees	<ul style="list-style-type: none"> ▪ Staff evaluation sessions ▪ Practices used to encourage energy-efficient behaviours among employees 	Regularly	<ul style="list-style-type: none"> ▪ Equal employment opportunity ▪ Job security ▪ Remuneration ▪ Green workplace practices
2	Regulators	Consultations and briefing organised by key regulatory bodies such as Singapore Stock Exchange and relevant government agencies/ bodies	As and when required	Corporate governance
3	Shareholders	Announcement on SGXNet	Half-yearly	<ul style="list-style-type: none"> ▪ Sustainable business performance ▪ Market valuation ▪ Dividend payment ▪ Corporate governance
		<ul style="list-style-type: none"> ▪ Annual general meetings ▪ Annual reports 	Annually	
		<ul style="list-style-type: none"> ▪ Company's website ▪ Business publications ▪ Investors' relation events 	Ongoing	

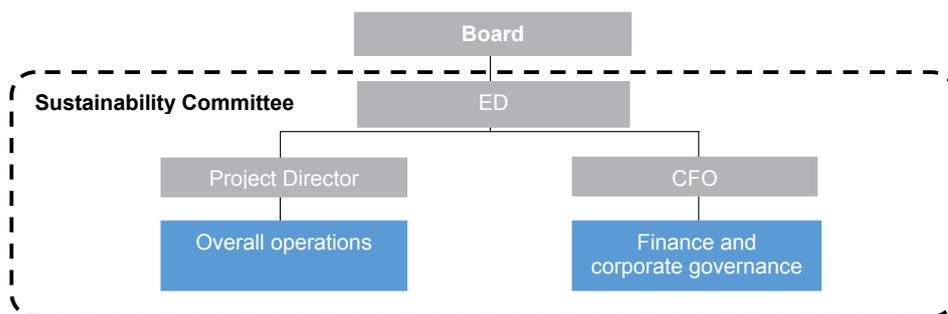
Through the above channels, we seek to understand the views of our key stakeholders, communicate effectively with them and respond to their concerns.

SUSTAINABILITY REPORT

6. Policy, practice and performance reporting

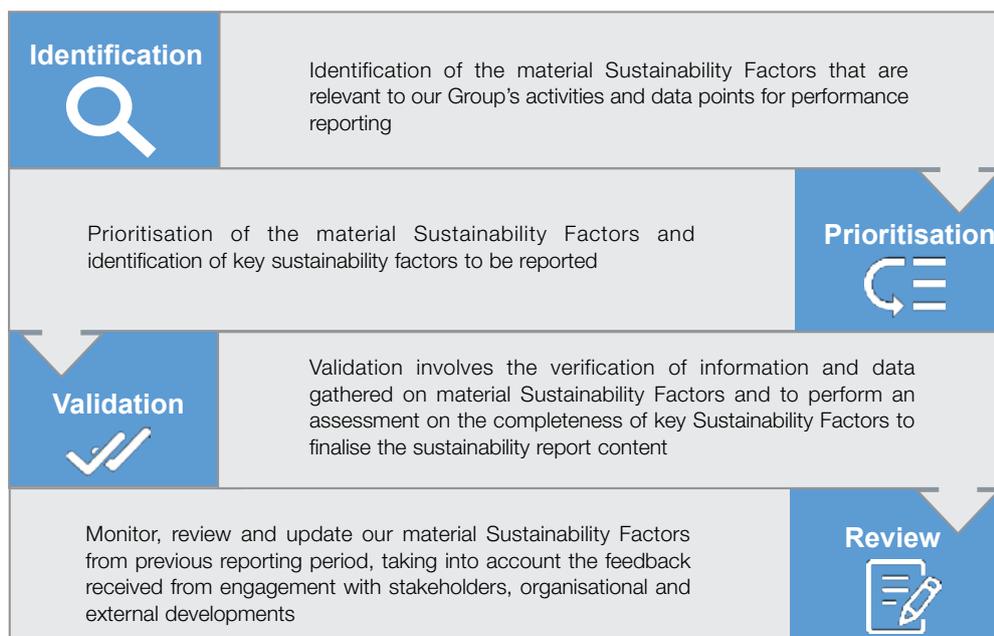
6.1 Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board. Our Group's Sustainability Committee ("SC"), which includes senior management executives, is led by our Executive Director ("ED"). The SC is 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 prioritised as material Sustainability Factors which are then validated. The end results of this process are a list of material Sustainability Factors disclosed in this Report. A brief description of the process is as follows:



SUSTAINABILITY REPORT

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
●●●	High	Factors with high reporting priority should be reported on in detail.
●●	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.
●	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 material factor matrix considers the level of concern to stakeholders (“**Stakeholders’ Concern**”) and significance of our impacts on the economy, environment and society (“**Business Impact**”).

6.4 Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, monitoring and measuring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

7. Material Factors

In 2021, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors material to the sustainability of our business and their reporting priority level were updated. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

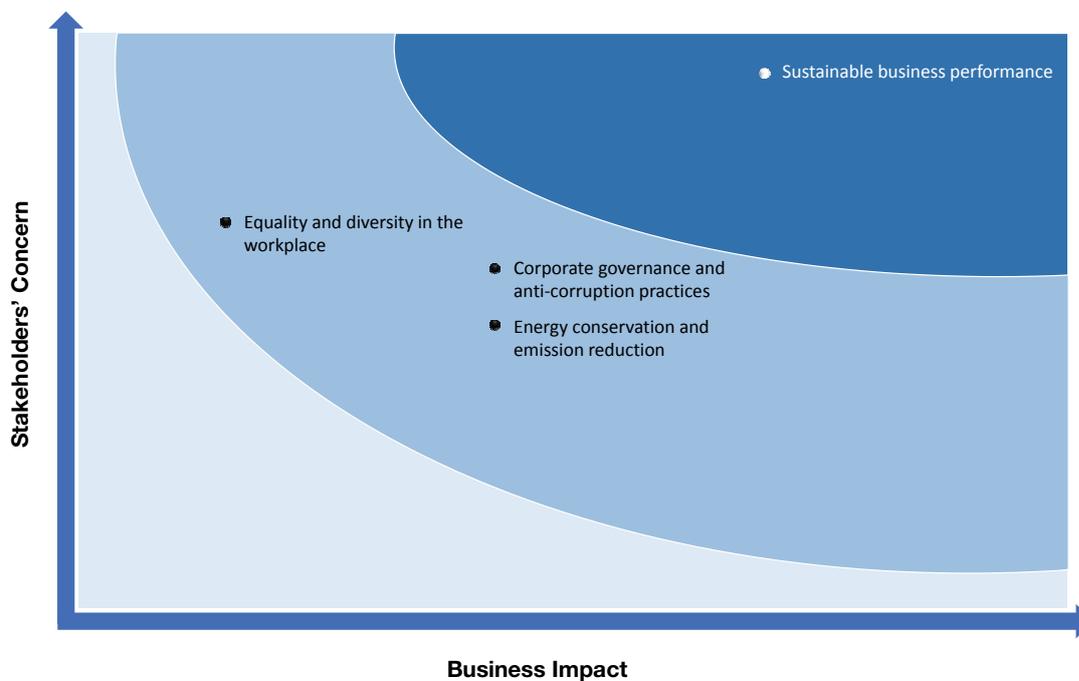
Presented below are a list of key Sustainability Factors applicable to our Group:

List of material Sustainability Factors

S/N	Sustainability Factor	SDG	Key stakeholder	Reporting priority
Economic				
1	Sustainable business performance	Decent work and economic growth	Shareholders	●●●
Environmental				
2	Energy conservation and emission reduction	Affordable and clean energy	<ul style="list-style-type: none"> ▪ Employees ▪ Shareholders 	●●
Social				
3	Equality and diversity in the workplace	Reduced inequalities	Employees	●●
Governance				
4	Corporate governance and anti-corruption practices	Peace, justice and strong institutions	<ul style="list-style-type: none"> ▪ Regulators ▪ Shareholders 	●●

SUSTAINABILITY REPORT

Material factor matrix



Legend for reporting priority



We will update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' 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.

As at 31 December 2021, we have two projects under development in Da Nang and Hoi An of Vietnam. The construction works for these projects are ongoing and subject to disruptions from external events such as the Pandemic.

In light of the current Pandemic situation, we will update our stakeholders on any further developments to these projects.

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; and
- 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.

SUSTAINABILITY REPORT

Given that the business environment we operate in is constantly changing, we recognise the need to be proactive in identifying business opportunities when they arise. In the meantime, we will continue to look for the right opportunities to diversify our revenue streams, apart from our existing business and hospitality developments in Vietnam.

Target for FY2021	Performance in FY2021	Target for FY2022
Maintain or improve our financial performance subject to market conditions	There are no recurring revenue and cost of sales during the Reporting Period as the construction for both projects has yet to be completed	Maintain or improve our financial performance subject to market conditions

7.2 Energy conservation and emission reduction

We are committed to responsible usage of energy that helps to reduce carbon emissions and preserve the environment in which we operate in. It also reduces cost and enhances returns to our shareholders. The Board engages the Sustainability Committee on tracking and optimising the Group's environmental impact.

We rely on electricity for running equipment for lighting, office work, cooling and ventilation (Scope 2⁵). Key statistics on electricity consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2021	FY2020
Energy consumption			
Electricity consumption	kWh	15,433	14,970
Electricity consumption intensity	kWh/ total number of employees	643.04	623.75
GHG emissions			
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	11.03	10.41
GHG emissions intensity	tonnes CO ₂ e/ total number of employees	0.46	0.43

We track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns. We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving modes.

We will make the relevant climate-related disclosure on our hospitality projects in Vietnam when their operations commence.

Target for FY2021	Performance in FY2021	Target for FY2022
— ⁶	No material changes in electricity consumption intensity and GHG emissions intensity	Maintain or reduce GHG emissions intensity

⁵ GHG emissions from the generation of purchased electricity consumed by the company. Scope 2 emissions physically occur at the facility where electricity is generated.

⁶ Not applicable as this is a newly disclosed Sustainability Factor added in this Report.

SUSTAINABILITY REPORT

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 2021, we have 24 employees (FY2020: 24).

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; and
- Employee handbook and a code of conduct are in place to disseminate corporate culture.

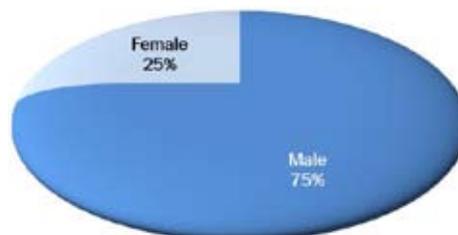
On gender diversity, the percentage of female to total full-time employees is 25% (FY2020: 17%) as at 31 December 2021.

On age diversity, matured workers are valued for their experience, knowledge and skills. As at 31 December 2021, 42% (FY2020: 38%) of our employees are at least 40 years old.

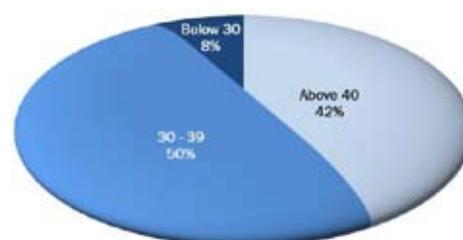
On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. As at 31 December 2021, 100% of our employees are tertiary educated (FY2020: 100%).

During the Reporting Period, we have no (FY2020: zero) reported incident of unlawful discrimination against employees.

Gender diversity (full-time employees)



Age diversity (full-time employees)



Target for FY2021	Performance in FY2021	Target for FY2022
Move towards a more balanced or maintain existing gender, age and educational diversity ratios	<ul style="list-style-type: none"> • Ratio of female to total full-time employees increased to 25% • Ratio of employees aged 40 and above over total full-time employees increased to 42% • No material changes in educational diversity ratio 	Maintain zero reported incident of unlawful discrimination against employees

7.4 Corporate governance and anti-corruption practices

A high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long term shareholder value. Accordingly, we are committed to conducting our business with utmost integrity by preventing corruption of any form, including bribery, and complying with the Prevention of Corruption Act of Singapore. We firmly believe that proactive anti-corruption practices are vital in creating an environment that supports the success of our business and that important values such as responsibility and honesty need to be constantly embedded within our business practices. This in turn helps to support and maintain our business continuity.

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 on corporate behaviour and the culture of the business.

SUSTAINABILITY REPORT

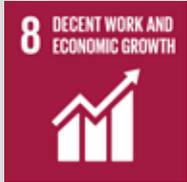
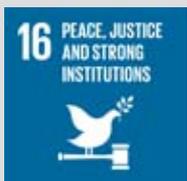
During the Reporting Period, no incident of serious offence was reported (FY2020: zero). Our overall SGTI score assessed by National University of Singapore Business School is 48 for the year 2021 (Year 2020: 58). We will continuously work towards improving our corporate governance practices.

You may refer to Corporate Governance Report of this Annual Report for details for our corporate governance practices.

Target for FY2021	Performance in FY2021	Target for FY2022
<ul style="list-style-type: none"> Maintain zero incident of serious offence Maintain or improve our SGTI score 	<ul style="list-style-type: none"> Zero incident of serious offence SGTI score assessed by National University of Singapore Business School decreased to 48 	Maintain zero incident of serious offence

8. Supporting the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDG, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important role in advancing sustainable development and in order to align our business objectives with the SDG, we have identified a number of SDG which we can contribute through our business practices, products and services. The SDG that we focus on and the related Sustainability Factors are as follows:

	SDG	Our effort
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Section 7.1 Sustainable business performance We contribute to economic growth through creating long-term economic value for our shareholders.
	Ensure access to affordable, reliable, sustainable and modern energy for all	Section 7.2 Energy conservation and emission reduction We implement measures to reduce our energy consumption as not only does it help to improve energy efficiency and reduce GHG emissions, it also helps us to reduce costs incurred to support our business operations.
	Reduce inequality within and among countries	Section 7.3 Equality and diversity in the workplace We provide equal opportunity for all regardless of gender, age and educational background.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels	Section 7.4 Corporate governance and anti-corruption practices We maintain a high standard of corporate governance to safeguard our shareholders' interests and maintain the transparency and integrity of our business.

SUSTAINABILITY REPORT

9. GRI Content Index

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-1	Name of the organisation	Cover page	–
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> ▪ Chairman’s Message ▪ Sustainability Report > Material Factors > Sustainable Business Performance ▪ Notes to Financial Statements > Investments in Subsidiary Corporations 	2-3 44-45 84-89
102-3	Location of headquarters	<ul style="list-style-type: none"> ▪ Corporate Information ▪ Notes to Financial Statements > General Information 	– 66
102-4	Location of operations	Notes to Financial Statements > Investments in Subsidiary Corporations	84-89
102-5	Ownership and legal form	<ul style="list-style-type: none"> ▪ Corporate Structure ▪ Notes to Financial Statements > General Information ▪ Notes to Financial Statements > Investments in Subsidiary Corporations ▪ Statistics of Shareholding 	7 66 84-89 111-112
102-6	Markets served	<ul style="list-style-type: none"> ▪ Chairman’s Message ▪ Sustainability Report > Material Factors > Sustainable Business Performance ▪ Notes to Financial Statements > Investments in Subsidiary Corporations ▪ Notes to Financial Statements > Segment Information 	2-3 44-45 84-89 107-109
102-7	Scale of the organisation	<ul style="list-style-type: none"> ▪ Sustainability Report > Material Factors > Sustainable Business Performance ▪ Sustainability Report > Material Factors > Equality and Diversity in the Workplace ▪ Consolidated Statement of Comprehensive Income ▪ Balance Sheets 	44-45 46 61 62
102-8	Information on employees and other workers	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	46
102-9	Supply chain	For our projects under development in Da Nang and Hoi An of Vietnam, we work closely with professional service firms and contractors for design and build works.	–
102-10	Significant changes to the organisation and its supply chain	Sustainability Report > Material Factors > Sustainable Business Performance	44-45
102-11	Precautionary Principle or approach	None	–
102-12	External initiatives	Sustainability Report > Supporting the UN Sustainable Development Goals	47
102-13	Membership of associations	None	–

SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
Strategy			
102-14	Statement from senior decision-maker	Sustainability Report > Board Statement	39-40
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> ▪ Corporate Governance Report ▪ Sustainability Report > Material Factors > Corporate Governance and Anti-Corruption practices 	9-33 46-47
Governance			
102-18	Governance structure	<ul style="list-style-type: none"> ▪ Corporate Governance Report ▪ Sustainability Report > Policy, Practice and Performance Reporting > Reporting Structure 	9-33 42
Stakeholder engagement			
102-40	List of stakeholder groups	Sustainability Report > Stakeholder Engagement	41
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	41
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement	41
102-44	Key topics and concerns raised	Sustainability Report > Stakeholder Engagement	41
Reporting practice			
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> ▪ Corporate Structure ▪ Notes to Financial Statements > Investments in Subsidiary Corporations 	7 84-89
102-46	Defining report content and topic Boundaries	Sustainability Report > Policy, Practice and Performance Reporting > Sustainability Reporting Processes	42
102-47	List of material topics	Sustainability Report > Material Factors	43-47
102-48	Restatements of information	None	–
102-49	Changes in reporting	None	–
102-50	Reporting period	Sustainability Report > Reporting Period	40
102-51	Date of most recent report	Annual Report 2020 > Sustainability Report	–
102-52	Reporting cycle	Sustainability Report > Reporting Period	40
102-53	Contact point for questions regarding the report	Sustainability Report > Feedback	41
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> ▪ Sustainability Report > Reporting Framework ▪ Sustainability Report > GRI Content Index 	40 48-50
102-55	GRI content index	Sustainability Report > GRI Content Index	48-50
102-56	External assurance	We may seek external assurance in the future	–

SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
Management approach			
103-1	Explanation of the material topic and its Boundary	Sustainability Report > Material Factors	43-47
103-2	The management approach and its components	<ul style="list-style-type: none"> ▪ Sustainability Report > Board Statement ▪ Sustainability Report > Policy, Practice and Performance Reporting ▪ Sustainability Report > Material Factors 	39-40 42-43 43-47
103-3	Evaluation of management approach	Sustainability Report > Material Factors	43-47
Category: Economic			
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> ▪ Sustainability Report > Material Factors > Sustainable Business Performance ▪ Consolidated Statement of Comprehensive Income ▪ Balance Sheets 	44-45 61 62
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report > Material Factors > Corporate Governance and Anti-Corruption Practices	46-47
Category: Environmental			
302-3	Energy intensity	Sustainability Report > Material Factors > Energy Conservation and Emissions Reduction	45
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report > Material Factors > Energy Conservation and Emissions Reduction	45
305-4	GHG emissions intensity	Sustainability Report > Material Factors > Energy Conservation and Emissions Reduction	45
Category: Social			
405-1	Diversity of governance bodies and employees	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	46

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2021 and the balance sheet of the Company as at 31 December 2021.

In the opinion of the directors,

- (i) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 61 to 110 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

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

Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee	
	At 31.12.2021	At 1.1.2021
The Company		
(No. of ordinary shares)		
Gersom G Vetuz	2,200,000	2,200,000

The directors' interests in the ordinary shares of the Company as at 21 January 2022 were the same as those as at 31 December 2021.

DIRECTORS' STATEMENT

Share Options

Options to take up unissued shares

The Company held an Extraordinary General Meeting on 30 April 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 as at 31 December 2017 and there are no options of New Scheme granted as at 31 December 2021.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit Committee

The members of the Audit Committee ("**AC**") at the end of the financial year were as follows:

Gersom G Vetuz	(Chairman, Independent Director)
Loh Eu Tse Derek	(Member, Independent Chairman)
Wong Loke Tan	(Member, Independent Director)

The AC of the Company, consisting of all non-executive independent directors. The AC has met two times since the last Annual General Meeting ("**AGM**") and has reviewed the following, where relevant, with the executive directors, independent auditor and internal auditor 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 plan of the Group's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (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 independent auditor's report on those financial statements;
- (e) The half-yearly and annual results announcement as well as the related press releases of the Group;
- (f) The co-operation and assistance given by management to the Group's independent auditor and internal auditor; and
- (g) The re-appointment of the independent auditor of the Group.

The AC 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 independent auditor and internal auditor have unrestricted access to the AC.

The AC has recommended to the directors the nomination of Nexia TS Public Accounting Corporation for re-appointment as independent auditor of the Group at the forthcoming AGM of the Company.

DIRECTORS' STATEMENT

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chin Rui Xiang

Director

Gersom G Vetuz

Director

8 April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Adventus Holdings Limited (the “**Company**”) and its subsidiary corporations (the “**Group**”), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 61 to 110.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (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 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial 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 for the financial year ended 31 December 2021. These matters were addressed in 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Going concern</p> <p>As disclosed in Note 2.1 to the financial statements, the Group has not recorded any revenue from its hotel operations as a result of the delay in completion of the construction caused by the COVID-19 pandemic. The Group is exposed to an increased liquidity risk, in relation to their ability to fulfil commitments to repay their existing indebtedness to suppliers and to finance the construction of the projects in Regis Bay and Hoi An Pearl.</p> <p>Notwithstanding the above, management is of the view that the Group will continue to operate on a going concern, having assessed the following sources of funding available to the Group for the next 12 months from the date of the financial statements:</p> <ul style="list-style-type: none"> ● The Group had, on 31 March 2022, entered into a placement agreement to raise an additional funds of \$3,156,300 through the proposed placement exercise. The funds are expected to be received upon approval from SGX-ST. Such funds when received, will be adequate for the Groups' working capital purpose and to support the construction costs required by the projects in Regis Bay and Hoi An Pearl; ● The unutilised bank borrowing facilities of \$9,748,163 as at 31 December 2021 to finance the construction of the projects in Regis Bay and Hoi An Pearl; and ● The written consent from shareholder to defer the payment for outstanding balance of \$146,450 which is due in 2022 for another 12 months. <p>In carrying out the going concern assessment, significant judgements are involved in estimating the remaining cash commitment of the projects and other operating expenses as well as the impact of COVID-19 on the completion of the projects.</p>	<p>In obtaining sufficient audit evidence, the following procedures were carried out:</p> <ol style="list-style-type: none"> 1. Reviewed management's assessment on going concern through obtaining management's forecast of the cash flows projection of the Group over the next 12 months; 2. Challenged the appropriateness of the key assumptions used by the management in the cash flows projection, including timing of cash inflows and cash required for operations; 3. Discussed with management on any material judgements, events or conditions identified; and 4. Evaluated the adequacy and appropriateness of the disclosures made in Note 2.1 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Impairment of property, plant and equipment and right-of-use assets in relation to the on-going projects (Refer to Notes 2.4, 2.7, 2.13, 3(c), 15 and 16 to the financial statements)</p> <p>On 9 January 2017, the Group signed an agreement with an unrelated property development company in Vietnam to set up Regis Bay Vietnam Investment Joint-Stock Company ("Regis Bay") to invest in real estate projects in Vietnam.</p> <p>On 5 January 2018, the Group signed an agreement with another unrelated property development company 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.</p> <p>All the expenses incurred including borrowing costs directly attributable to the construction of the above on-going projects are capitalised within property, plant and equipment as construction in progress.</p> <p>As at 31 December 2021, the carrying amount of the Group's property, plant and equipment ("PPE") and right-of-use ("ROU") assets in relation to the above on-going projects was \$63,610,028 and \$1,633,635 (2020: \$50,595,874 and \$1,681,314) respectively which represents approximately 83% (2020: 75%) of the Group's total assets.</p>	<p>In obtaining sufficient audit evidence, the following procedures were carried out:</p> <ol style="list-style-type: none"> 1. Reviewed management's assessment of impairment indication for PPE and ROU assets by assessing the appropriateness of the assumption or justifications used and rationale applied by the management; 2. Obtained the independent valuation reports from management; 3. Evaluated the competencies, capabilities and objectivity of the management expert and the reasonableness of the assumption used by the expert to determine the recoverable amount of the PPE and ROU assets; 4. Together with our internal valuation specialist, reviewed the reasonableness of the key assumptions and valuation methodologies used, tested and challenged the underlying assumptions of the calculation as well as the reasonableness of discount rate used in determining the recoverable amount of the PPE and ROU assets; and 5. Reviewed the adequacy and appropriateness of the disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Impairment of property, plant and equipment and right-of-use assets in relation to the on-going projects (continued) (Refer to Notes 2.4, 2.7, 2.13, 3(c), 15 and 16 to the financial statements)</p> <p>In accordance with SFRS(I) 1-36 Impairment of assets, management has assessed that there is objective evidence and indication that PPE and ROU assets of the Group may be impaired due to the potential adverse effect on the recoverable amount as a result of the on-going COVID-19 situation, therefore management has carried out an impairment exercise during the financial year. For the purpose of performing impairment assessment, management has engaged an independent property valuer to assist the Group in determining the recoverable amount of the PPE and ROU assets. Based on the impairment exercise, no impairment is required to be recognised during the financial year ended 31 December 2021 as the recoverable amount is higher than the carrying amount of the PPE and ROU assets.</p> <p>We focus on this area because the assessment made by the Group involved the use of judgement over the indication of impairment indicators and significant estimate and judgement made by management and the independent property valuer such as estimated market values from comparable properties, forecasted revenue and operating expenses, sales growth rates, gross profit margin and discount rates applied to these future discounted cashflows. In addition, there was an increase in uncertainty in deriving the key assumptions used due to the impact of the Covid-19 pandemic.</p>	

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Other Information

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 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Adventus Holdings Limited

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 director on the audit resulting in this independent auditor's report is Chan Siew Ting.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
8 April 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income			
- Interest	6	506,898	530,745
- Others	6	41,955	123,612
Other gains/(losses) - net	7	958,049	(107,707)
Expenses			
- Administrative	4	(1,445,578)	(1,476,999)
- Finance	8	(62,020)	(1,406)
Loss before income tax		(696)	(931,755)
Income tax credit	9(a)	285,095	295,049
Net profit/(loss) for the financial year		284,399	(636,706)
Other comprehensive income/(loss), net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – gain		165,812	17,663
Reclassification on disposal of subsidiary corporations	12	-	6,324
	22(b)	165,812	23,987
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – gain/(losses)	22(b)	404,926	(146,968)
Total comprehensive income/(loss)		855,137	(759,687)
Net (loss)/profit attributable to:			
Equity holders of the Company		(626,632)	(900,679)
Non-controlling interests		911,031	263,973
		284,399	(636,706)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(460,820)	(876,692)
Non-controlling interests		1,315,957	117,005
		855,137	(759,687)
Loss per share attributable to equity holders of the Company (cents per share)			
- basic and diluted (cents)	11	(0.03)	(0.05)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and bank balances	12	4,772,728	3,042,591	1,927,835	263,781
Other receivables	13	6,119,179	9,591,898	17,740,847	17,971,922
		10,891,907	12,634,489	19,668,682	18,235,703
Asset classified as held for sale	10	–	1,695,053	–	–
Total current assets		10,891,907	14,329,542	19,668,682	18,235,703
Non-current assets					
Other receivables	13	1,597,665	1,918,912	–	–
Investments in subsidiary corporations	14	–	–	751	751
Property, plant and equipment	15	63,635,009	50,640,329	4,082	17,157
Right-of-use assets	16	1,653,133	1,724,224	19,498	42,910
Deferred tax assets	20	1,055,138	765,071	–	–
		67,940,945	55,048,536	24,331	60,818
Total assets		78,832,852	69,378,078	19,693,013	18,296,521
LIABILITIES					
Current liabilities					
Other payables	17	6,689,136	10,346,670	6,176,844	3,922,350
Lease liabilities	18	20,104	22,993	20,104	22,993
Bank borrowings	19	3,674,460	950,052	–	–
Total current liabilities		10,383,700	11,319,715	6,196,948	3,945,343
Non-current liabilities					
Other payables	17	96,604	15,442	–	–
Lease liabilities	18	–	20,103	–	20,103
Bank borrowings	19	41,588,196	32,113,603	–	–
Total non-current liabilities		41,684,800	32,149,148	–	20,103
Total liabilities		52,068,500	43,468,863	6,196,948	3,965,446
Net assets		26,764,352	25,909,215	13,496,065	14,331,075
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	52,411,370	52,411,370	52,411,370	52,411,370
Translation reserve	22	(465,499)	(631,311)	–	–
Accumulated losses		(35,180,504)	(34,553,872)	(38,915,305)	(38,080,295)
		16,765,367	17,226,187	13,496,065	14,331,075
Other reserves	22	(3,376,847)	(3,376,847)	–	–
Non-controlling interests	14	13,375,832	12,059,875	–	–
Total equity		26,764,352	25,909,215	13,496,065	14,331,075

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Group	Attributable to equity holders of the Company						
	Share capital	Statutory reserve	Translation reserve	Accumulated losses	Total	Other reserves	Non-controlling interests
Note	\$	\$	\$	\$	\$	\$	\$
2021							
Balance as at 1 January 2021	52,411,370	–	(631,311)	(34,553,872)	17,226,187	(3,376,847)	12,059,875
Net (loss)/profit for the financial year	–	–	–	(626,632)	(626,632)	–	911,031
Other comprehensive income for the financial year	–	–	165,812	–	165,812	–	404,926
Balance as at 31 December 2021	52,411,370	–	(465,499)	(35,180,504)	16,765,367	(3,376,847)	13,375,832
2020							
Balance as at 1 January 2020	52,411,370	119,135	(655,298)	(33,772,328)	18,102,879	(3,376,847)	11,942,870
Net (loss)/profit for the financial year	–	–	–	(900,679)	(900,679)	–	263,973
Other comprehensive income/(loss) for the financial year	–	–	23,987	–	23,987	–	(146,968)
Reclassification pursuant to disposal of subsidiary corporations	–	(119,135)	–	119,135	–	–	–
Balance as at 31 December 2020	52,411,370	–	(631,311)	(34,553,872)	17,226,187	(3,376,847)	12,059,875

22(b)(ii)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

Note	2021 \$	2020 \$
Cash flows from operating activities		
Loss before income tax	(696)	(931,755)
<i>Adjustments for:</i>		
- Depreciation of property, plant and equipment	4 20,362	22,558
- Depreciation of right-of-use assets	4 77,238	78,716
- Property, plant and equipment written off	4 –	38,426
- Gain on disposal of subsidiary corporations	7 –	(25,992)
- Interest expense	8 62,020	1,406
- Interest income	6 (506,898)	(530,745)
- Foreign exchange (gains)/losses, net	(861,587)	1,840,714
	(1,209,561)	493,328
Change in working capital, net of effects from disposal of subsidiary corporations		
- Other receivables	3,018,036	(1,903,174)
- Other payables	(1,569,591)	174,793
Cash generated from/(used in) operations	238,884	(1,235,053)
Income tax paid	9(b) (4,972)	(2,283)
Net cash generated from/(used in) operating activities	233,912	(1,237,336)
Cash flows from investing activities		
Additions to property, plant and equipment	(6,776,836)	(10,565,113)
Proceed from divestment in joint venture	1,683,703	1,342,430
Disposal of subsidiary corporations, net of cash disposed of	12 –	(106)
Prepayment for property, plant and equipment	(1,597,665)	(1,918,912)
Loan receivable from non-controlling shareholders	(883,576)	–
Interest paid	(2,307,108)	(1,633,148)
Interest received	351,054	18,187
Net cash used in investing activities	(9,530,428)	(12,756,662)
Cash flows from financing activities		
Loan from a shareholder	15,796	219,339
Interest paid	(60,412)	–
Repayment to a shareholder	(553,551)	–
Proceeds from bank borrowings	12,658,927	18,275,166
Repayment of bank borrowings	(1,103,086)	(4,237,164)
Repayment of lease liabilities	(24,600)	(24,600)
Net cash generated from financing activities	10,933,074	14,232,741
Net increase in cash and cash equivalents	1,636,558	238,743
Cash and cash equivalents		
Beginning of financial year	1,535,397	1,309,970
Effects of currency translation on cash and cash equivalents	59,835	(13,316)
End of financial year	12 3,231,790	1,535,397

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

Reconciliation of liabilities arising from financing activities

	1 January 2021	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 December 2021
				Interest expense	Foreign exchange movement	Addition – new lease	
	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	33,063,655	12,658,927	(3,470,606)	2,367,520	643,160	–	45,262,656
Lease liabilities	43,096	–	(24,600)	1,608	–	–	20,104
Loan from a shareholder	719,339	15,796	(553,551)	–	–	–	181,584

	1 January 2020	Proceeds from borrowings	Principal and interest payments	Non-cash changes			31 December 2020
				Interest expense	Foreign exchange movement	Addition – new lease	
	\$	\$	\$	\$	\$	\$	\$
Bank borrowings	18,230,597	18,275,166	(5,870,312)	1,633,148	795,056	–	33,063,655
Lease liabilities	19,477	–	(24,600)	1,406	–	46,813	43,096
Loan from a shareholder	500,000	219,339	–	–	–	–	719,339

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General information

Adventus Holdings Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are disclosed in Note 14 to the financial statements.

Impact of COVID-19

On 30 January 2020, the World Health Organisation declared the outbreak a Public Health Emergency of International Concern. The outbreak was subsequently characterised as a pandemic on 11 March 2020.

In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement and reduced demand in recreational activities.

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movements controls and other measures imposed by the various governments. The Group’s significant operations are in Vietnam, all of which have been affected by the spread of COVID-19 since 2020.

Set out below is the impact of COVID-19 on the Group’s financial performance reflected in this set of financial statements for the financial year ended 31 December 2021.

- i. The Group had assessed that the going concern basis of preparation for this set of financial statements remains appropriate based on the sources of funding available to the Group as disclosed in Note 2.1 to the financial statements.
- ii. In 2021, border closures, production stoppages and workplace closures had resulted in periods where the Group’s operations were temporarily suspended to adhere to the Vietnam governments’ movement control measures. These had resulted in the delay of the progress of the on-going projects in Regis Bay Vietnam Investment Joint-Stock Company (“**Regis Bay**”) and Hoi An Pearl Joint Stock Company (“**HAP**”).
- iii. The Group has considered the market conditions including the impact of COVID-19 as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2021. The significant estimates and judgements applied are disclosed in Note 3 to the financial statements.

As the global COVID-19 pandemic continues to evolve, the Group continues to be impacted by the measures taken by governments to combat the spread of the pandemic. If the situation persists beyond management’s current expectations, the Group’s assets may be subject to further write downs in the subsequent financial years.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("**INT SFRS(I)**") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern

The Group has not recorded any revenue from its hotel operations as a result of the delay in completion of the construction caused by the COVID-19 pandemic. The Group is exposed to an increased liquidity risk, in relation to their ability to fulfil commitments to repay their existing indebtedness to suppliers and to finance the construction of the projects in Regis Bay Vietnam Investment Joint-Stock Company ("**Regis Bay**") and Hoi An Pearl Joint Stock Company ("**HAP**").

Management is of the view that the Group and the Company will continue to operate on a going concern and there is no material uncertainty related to these events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern, having assessed the following sources of funding available to the Group for the next 12 months from the date of financial statements:

- The Group had, on 31 March 2022, entered into a placement agreement to raise an additional funds of \$3,156,300 through the proposed placement exercise. The funds are expected to be received upon approval of SGX-ST. Such funds when received, will be adequate for the Groups' working capital purpose and to support the construction costs required by the projects in Regis Bay and Hoi An Pearl;
- The unutilised bank borrowing facilities of \$9,748,163 as at 31 December 2021 to finance the construction of the projects in Regis Bay and Hoi An Pearl; and
- The written consent from shareholder to defer the payment for outstanding balance of \$146,450 which is due in 2022 for another 12 months.

In carrying out the going concern assessment, significant judgements are involved in estimating the remaining cash commitment of the projects and other operating expenses as well as the impact of COVID-19 on the completion of the projects. Based on the sources of funding indicated above, management is confident that the strategies in place will improve the financial position of the Group and the Company so as to continue in operational existence for at least 12 months from the date of financial statements.

Accordingly, the accompanying financial statements did not include any adjustments relating to the realisation and classification of asset and liability amounts that may be necessary if the Group and the Company were unable to continue as going concerns. Should the going concern assumption be inappropriate, adjustments may have to be made to:

- (i) reflect the situation that assets may need to be realised other than their carrying amounts;
- (ii) provide for further liabilities that might arise; and
- (iii) reclassify non-current assets and non-current liabilities as current.

No adjustments have been made in the accompanying financial statements in respect of these.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.2 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.3 Group accounting

(a) *Subsidiary corporations*

(i) Consolidation

Subsidiary corporations are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the entity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interest having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiary corporations (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Construction in progress

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 Group's accounting policy.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price, borrowing costs (refer to Note 2.5 on borrowing costs) and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Furniture and fittings	3 – 10 years
Office equipment	3 – 10 years
Renovation	3 – 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Depreciation of construction in progress commence when the assets are ready for their intended use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses) - net".

2.5 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.

2.6 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.7 Impairment of non-financial assets

Property, plant and equipment
Right-of-use assets
Investments in subsidiary corporations

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.8 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets at amortised cost.

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.8 Financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25(b) details how the Group determines whether there has been a significant increase in credit risk.

For other financial assets, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.9 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.12 Other payables

Other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as below:

	<u>Useful lives</u>
Leasehold land	31.5 years
Office premise	2 years

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments includes fixed payment (including in-substance fixed payments), less any lease incentives receivables.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.13 Leases (continued)

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date; and
- based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax are recognised as income and expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of economic resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Changes in the estimated timing or amount of the expenditure or discount are recognised in profit or loss when the changes arise.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.16 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Short-term compensated absences*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.17 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements are presented in Singapore Dollar ("**SGD**" or "**\$**"), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other gains/(losses) - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.17 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the balance sheet date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors whose members are responsible for allocating resources and assessing performance of the operating segments.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital account.

2.21 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary corporation acquired exclusively with a view to resale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Significant accounting policies (continued)

2.22 Statutory reserve

In accordance with People's Republic of China ("PRC") regulations, the PRC subsidiary corporation 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 corporation.

2.23 Interest income

Interest income is recognised using the effective interest rate method.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

- (a) Control over Regis Bay Vietnam Investment Joint-Stock Company ("**Regis Bay**") and Hoi An Pearl Joint Stock Company ("**HAP**")

Note 14 to the financial statements describes that Regis Bay and HAP are subsidiary corporations of the Group since 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 14 to the financial statements, management is of the view that it has control over these entities. Accordingly, the results of these entities have been consolidated in the Group's financial statements.

- (b) Capitalisation of project costs

As described in Note 2.4 to the financial statements, 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 on-going projects for HAP and Regis Bay (Note 15) in accordance with SFRS(I) 1-16 Property, plant and equipment.

- (c) Impairment of property, plant and equipment ("**PPE**") and right-of-use ("**ROU**") assets in relation to the on-going projects

PPE and ROU assets on land use right are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The Group assesses whether PPE and ROU assets 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.

Management has engaged an independent property valuer to assist the Group in determining the recoverable amount of the PPE and ROU assets as at the end of the financial year. The determination of the recoverable amount of the PPE and ROU assets involves the use of significant estimates, judgements and assumptions made by management and the independent property valuer such as estimated market values from comparable properties, forecasted revenue and operating expenses, sales growth rates, gross profit margin and discount rates. There was an increase in level of estimation uncertainty in deriving the key assumptions used due to the impact of Covid-19 pandemic.

Based on the impairment exercise, no impairment is required to be recognised during the financial years ended 31 December 2021 and 2020 as the recoverable amount is higher than the carrying amount of the PPE and ROU assets in relation to the on-going projects for HAP and Regis Bay amounted to \$63,610,028 and \$1,633,635 (2020: \$50,595,874 and \$1,681,314) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Critical accounting estimates, assumptions and judgements (continued)

Critical accounting estimates and assumptions (continued)

(d) Expected credit losses ("ECL") on other receivables

When measuring ECL, the Group and the 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 other receivables have been disclosed in Note 13 to the financial statements.

4 Expenses by nature

	Group	
	2021	2020
	\$	\$
Audit fees:		
- paid to auditor of the Company	105,000	99,500
- paid to other auditors*	40,594	40,089
	145,594	139,589
Depreciation of property, plant and equipment (Note 15)	20,362	22,558
Depreciation of right-of-use assets (Note 16)	77,238	78,716
Directors' fees of the Company	125,000	110,864
Directors' remuneration of the Company	236,614	234,054
Employee compensation (Note 5)	473,750	439,928
Professional fees	130,344	189,641
Property, plant and equipment written-off (Note 15)	–	38,426
Rental expense - short-term lease (Note 16(c))	22,466	34,679
Others	214,210	188,544
	1,445,578	1,476,999

* Includes the network of member firms of Nexia International for the financial years ended 31 December 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5 Employee compensation

	Group	
	2021	2020
	\$	\$
Salaries and bonuses	412,349	387,352
Employer's contribution to defined contributions plans including Central Provident Fund	61,401	52,576
	<u>473,750</u>	<u>439,928</u>

6 Other income

	Group	
	2021	2020
	\$	\$
Interest income		
- Bank deposits	21,972	18,187
- Loan to non-controlling interest shareholder	484,926	512,558
	<u>506,898</u>	<u>530,745</u>
Government grant income		
- Jobs Support Scheme	26,808	93,364
- Others	15,147	11,626
Others	-	18,622
	<u>41,955</u>	<u>123,612</u>
	<u>548,853</u>	<u>654,357</u>

Grant income of \$26,808 (2020: \$93,364) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

7 Other gains/(losses) - net

	Group	
	2021	2020
	\$	\$
Gain on disposal of subsidiary corporations (Note 12)	-	25,992
Foreign exchange gain/(loss) - net	958,049	(133,699)
	<u>958,049</u>	<u>(107,707)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8 Finance expenses

	Group	
	2021	2020
	\$	\$
Interest on lease liabilities (Note 16(b))	1,608	1,406
Interest on bank loan	60,412	–
	62,020	1,406

9 Income taxes

(a) Income tax credit

	Group	
	2021	2020
	\$	\$
Tax expense/(credit) attributable to the loss is made up of:		
Current income tax - under provision in prior financial years	4,972	2,283
Deferred income tax (Note 20)	(290,067)	(297,332)
	(285,095)	(295,049)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2021	2020
	\$	\$
Loss before income tax	(696)	(931,755)
Tax calculated using Singapore tax rate of 17% (2020: 17%)	(119)	(158,398)
Effects of:		
- different tax rates in other countries	(24,250)	(49,617)
- tax incentives	–	–
- expenses not deductible for tax purposes	166,772	226,768
- income not subject to tax	(450,988)	(330,470)
- deferred tax assets not recognised	25,760	16,956
- utilisation of previously unrecognised deferred tax benefits	(13,576)	(11,767)
- under provision of tax in prior financial years	4,972	2,283
- others	6,334	9,196
Tax credit	(285,095)	(295,049)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of \$1,381,123 (2020: \$1,452,793) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. Certain tax losses have an expiry date of 5 years from the financial year where the tax losses arise from.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 Income taxes (continued)

(b) Movement in current tax liabilities

	Group	
	2021	2020
	\$	\$
Beginning of financial year	–	–
Income tax paid	(4,972)	(2,283)
Under provision in prior financial years	4,972	2,283
End of financial year	–	–

10 Asset classified as held for sale

On 30 December 2019, the Group entered into a termination agreement with non-controlling interest shareholders to dispose its joint venture, AP NHS Da Nang Joint Stock Company for cash consideration of USD2,448,999 (equivalent to \$3.3 million). Management assessed that the disposal is expected to be completed within twelve months and the conditions precedent to the disposal would have been met when the non-controlling interest shareholder successfully repay the consideration.

Accordingly, the joint venture has been classified as asset held for sale and are presented separately on the balance sheet since 31 December 2019. The consideration for the disposal of joint venture is expected to exceed the net carrying amount of the joint venture and, accordingly, no impairment loss has been recognised prior to the classification of the asset as held for sale.

The disposal was completed in January 2021.

11 Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	2020
Net loss attributable to equity holders of the Company (\$)	(626,632)	(900,769)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	1,950,619	1,950,619
Basic loss per share (cents per share)	(0.03)	(0.05)

As at 31 December 2021 and 2020, the Group does not have any dilutive potential ordinary shares. Accordingly, the basic and diluted loss per share are the same.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12 Cash and bank balances

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash at bank and on hand	3,231,790	1,535,397	1,927,835	263,781
Pledged deposits	1,540,938	1,507,194	–	–
	<u>4,772,728</u>	<u>3,042,591</u>	<u>1,927,835</u>	<u>263,781</u>

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2021	2020
	\$	\$
Cash and bank balances (as above)	4,772,728	3,042,591
Less: Pledged deposits	(1,540,938)	(1,507,194)
Cash and cash equivalents in the consolidated statement of cash flows	<u>3,231,790</u>	<u>1,535,397</u>

Bank deposits are pledged in relation to the security granted for certain borrowings (Note 19).

Disposal of subsidiary corporations

On 16 November 2020, the Group disposed of its wholly-owned subsidiary corporation, Adventus Alliances & Solutions Pte. Ltd. and its subsidiary corporation (collectively, "AAS Group"), which was dormant and previously had been aggregated within the "others" business segment.

The carrying amounts of assets and liabilities as at date of disposal are as follows:

	Group
	\$
	16 November 2020
Assets:	
Cash and bank balances, representing total assets of AAS Group	<u>15,106</u>
Liabilities:	
Other payables, representing total liabilities of AAS Group	<u>(32,422)</u>
Net liabilities disposed of	(17,316)
Realisation of currency translation reserve (Note 22(b))	6,324
Total liabilities	<u>(10,992)</u>
Gain on disposal (Note 7)	25,992
Cash proceeds from disposal	15,000
Less: Cash and bank balances in subsidiary corporations disposed of	<u>(15,106)</u>
Net cash outflow on disposal of subsidiary corporations	<u>(106)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13 Other receivables

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Current				
Other receivables				
- subsidiary corporations ⁽¹⁾	-	-	18,024,318	18,261,781
Less: loss allowance (Note 25(b))	-	-	(316,305)	(316,180)
	-	-	17,708,013	17,945,601
- subsidiary corporation's director ⁽²⁾	-	2,717,232	-	-
- non-related parties	191,620	422,492	119,487	116,686
Less: loss allowance(Note 25(b))	(116,686)	(116,686)	(116,686)	(116,686)
	74,934	305,806	2,801	-
Loan receivables from non-controlling interest shareholder ⁽³⁾⁽⁴⁾	6,012,194	6,540,009	-	-
Prepayments	27,951	24,751	25,933	22,221
Deposits	4,100	4,100	4,100	4,100
	6,119,179	9,591,898	17,740,847	17,971,922
Non-current				
Advances to contractors	1,597,665	1,918,912	-	-
Total other receivables	7,716,844	11,510,810	17,740,847	17,971,922

⁽¹⁾ The other receivables from subsidiary corporations are unsecured, interest free and repayable on demand.

⁽²⁾ The other receivables from a subsidiary corporation's director is unsecured, bears interest rate at 3% per annum and repayable by 26 March 2021. The interest on loan to a subsidiary corporation's director has been waived off on 31 December 2020. The amount has been fully repaid by the director during the financial year ended 31 December 2021.

⁽³⁾ In 2018, one of the Group's wholly-owned subsidiary corporation, ADV S2 Pte. Ltd. ("**ADV S2**"), invested in HAP in the form of a loan with one of the non-controlling interest shareholders. A loan agreement was signed on 5 January 2018.

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

- The loan amount shall be VND56.1 billion (approximately \$3.8 million at transaction date).
- The term of the loan shall be 9 months from the disbursement date (8 January 2018), and extension subject to agreement by the parties. On 25 March 2022, the Group has converted the outstanding balance as cost of investment in subsidiary corporation upon the completion of shares transfer from non-controlling interest shareholders (Note 29).
- 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. During the financial year, ADV S2 charged an interest of 13% (2020: 13%) per annum to the non-controlling interest shareholder.

In 2021, ADV S2, made an additional investment in HAP in the form of a loan with one of the non-controlling interest shareholders. A loan agreement was signed on 1 February 2021.

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

- The loan amount shall be VND15.4 billion (approximately \$883,576 at transaction date).
- The term of the loan shall be 365 days from the disbursement date (1 February 2021), and extension subject to agreement by the parties. Subsequent to the financial year ended 31 December 2021, the term of the loan has been extended to January 2023.
- The loan is subject to an interest rate of 5% per annum.

As at 31 December 2021, the total loan receivables from non-controlling interest shareholder in relation to the investment in HAP is \$6,012,194 (2020: \$4,530,452).

⁽⁴⁾ In 2018, one of the Group's wholly-owned subsidiary corporation, ADV S3 Pte. Ltd. ("**ADV S3**"), invested in AP NHS Da Nang Joint Stock Company ("**AP NHS**") in the form of a loan with one of the non-controlling interest shareholders. The purpose of AP NHS is to hold and develop project land into a residential apartment project. A loan agreement was signed on 9 April 2018.

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

- The loan amount shall be VND50.715 billion (approximately \$3.0 million at transaction date).
- The term of the loan shall be 360 days from the disbursement date (28 March 2018), and extension subject to ADV S3's decision.
- 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.

On 30 December 2019, the Group has signed a termination agreement with the non-controlling interest shareholders (Note 10). Pursuant to the termination, the loan will be repaid by the non-controlling interest shareholder by April 2020. The repayment of loan has been extended and repaid in January 2021.

As at 31 December 2021, the loan receivables from non-controlling interest shareholder in relation to the investment in AP NHS is \$Nil (2020: \$2,009,557).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investments in subsidiary corporations

	Company	
	2021	2020
	\$	\$
Beginning of financial year	751	752
Disposal	–	(1)
End of financial year	751	751

On 31 August 2020, the Company entered into a sale and purchase agreement with a non-related party to dispose 100% of its interest in the share capital of its wholly-owned subsidiary corporation, Adventus Alliances & Solutions Pte. Ltd. and its subsidiary corporation. The disposal was completed on 16 November 2020 (Note 12).

The Group has the following subsidiary corporations as at 31 December 2021 and 2020:

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2021	2020
			%	%
<u>Held by the Company</u>				
Adventus Investments (Vietnam) Pte. Ltd. ⁽¹⁾	Residential property development	Singapore	100	100
Crimson Star Development Pte. Ltd. ⁽¹⁾	Dormant	Singapore	65	65
Northern Cardinal Commodities Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
<u>Held by Adventus Investments (Vietnam) Pte. Ltd.</u>				
ADV S1 Pte. Ltd. ⁽¹⁾	Investment holding and property development	Singapore	100	100
ADV S2 Pte. Ltd. ⁽¹⁾	Investment holding and property development	Singapore	100	100
ADV S3 Pte. Ltd. ⁽¹⁾	Investment holding and property development	Singapore	100	100
ADV Management Services Company Limited ⁽²⁾	Management consulting services	Vietnam	100	100
<u>Held by ADV S1 Pte. Ltd.</u>				
ADV V1 Holding Company Limited ⁽²⁾	Investment holding and property development	Vietnam	100	100
<u>Held by ADV V1 Holding Company Limited</u>				
Regis Bay Vietnam Investment Joint-Stock Company ⁽²⁾⁽³⁾	Hotel development	Vietnam	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 31 December 2021 and 2020: (continued)

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group	
			2021 %	2020 %
<u>Held by ADV S2 Pte. Ltd.</u>				
Hoi An Pearl Joint Stock Company ⁽²⁾⁽⁴⁾	Resort development	Vietnam	–	–
<u>Held by ADV Management Services Company Limited</u>				
AP Land Company Limited ⁽²⁾	Construction management services	Vietnam	51	51

⁽¹⁾ Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.

⁽²⁾ Audited by Nexia STT Co., Ltd, Vietnam, a member firm of Nexia International.

⁽³⁾ The Group does not own equity interest in this subsidiary corporation but management has assessed that it has control over the subsidiary corporation.

On 9 January 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 24 April 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 on 11 September 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. In 2019, the entity entered into a supplemental agreement dated 19 November 2019 and reduced its equity interest from 75% to 51%.

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 had been consolidated in the Group’s financial statements since financial year ended 31 December 2017.

⁽⁴⁾ The Group does not own equity interest in this subsidiary corporation but management has assessed that it has control over the subsidiary corporation. ADV S2 invests in HAP in the form of a loan with Panthera. The loan agreement was signed on 5 January 2018.

On 5 January 2018, the Group signed a joint venture agreement with Panthera, property development company in Vietnam, Mr. Tran Hoang Anh Tuan and Ms. Nguyen Thai Dong Huong, to operate 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 shareholder of \$3,327,764 (2020: \$3,327,764) has been accrued and a corresponding obligation to non-controlling interest shareholder has been set aside as “other reserves” (Note 22). 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 had been consolidated in the Group’s financial statements since financial year ended 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investments in subsidiary corporations (continued)

As at 31 December 2021, 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 in progress and expected to complete construction by 2022.	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 in progress and expected to complete construction by 2022.	Land area = 11,797.6 sqm GFA = 9,933 sqm

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investments in subsidiary corporations (continued)

Details of non-wholly owned subsidiary corporations that has material non-controlling interests:

Name of subsidiary corporation	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	
		2021	2020	2021	2020	2021	2020
		%	%	\$	\$	\$	\$
Crimson Star Development Pte. Ltd.	Singapore	35	35	(17,050)	8,638	638,063	640,845
Regis Bay Vietnam Investment Joint-Stock Company	Vietnam	100	100	1,027,936	357,906	3,959,553	2,848,632
Hoi An Pearl Joint Stock Company	Vietnam	100	100	(83,927)	(102,569)	8,670,482	8,450,907
AP Land Company Limited	Vietnam	49	49	(15,928)	(2)	107,734	119,491
				911,031	263,973	13,375,832	12,059,875

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investments in subsidiary corporations (continued)

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

Group	Crimson Star Development Pte. Ltd.		Regis Bay Vietnam Investment Joint-Stock Company		Hoi An Pearl Joint Stock Company	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Current						
Assets	1,859,690	1,859,787	1,574,248	1,580,784	976,639	974,483
Liabilities	(36,652)	(28,802)	(11,659,329)	(12,606,996)	(2,126,197)	(483,296)
Total current net assets/ (liabilities)	1,823,038	1,830,985	(10,085,081)	(11,026,212)	(1,149,558)	491,187
Non-current						
Assets	–	–	46,606,790	35,888,859	25,674,264	21,359,148
Liabilities	–	–	(32,562,156)	(22,014,015)	(15,854,224)	(13,399,428)
Total non-current net assets	–	–	14,044,634	13,874,844	9,820,040	7,959,720
Net assets	1,823,038	1,830,985	3,959,553	2,848,632	8,670,482	8,450,907

Summarised statement of comprehensive income

Group	Crimson Star Development Pte. Ltd.		Regis Bay Vietnam Investment Joint-Stock Company		Hoi An Pearl Joint Stock Company	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Other income	–	35,140	1,050,167	369,436	40,499	2,467
Expenses	(48,715)	(10,461)	(22,231)	(11,530)	(124,426)	(105,036)
(Loss)/profit for the financial year	(48,715)	24,679	1,027,936	357,906	(83,927)	(102,569)
Other comprehensive income/(loss)	40,768	(35,300)	82,985	(32,726)	303,502	(99,866)
Total comprehensive (loss)/income	(7,947)	(10,621)	1,110,921	325,180	219,575	(202,435)
Total comprehensive (loss)/ income attributable to non-controlling interests	(2,781)	(3,717)	1,110,921	325,180	219,575	(202,435)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Investments in subsidiary corporations (continued)

Summarised statement of cash flows

Group	Crimson Star Development Pte. Ltd.		Regis Bay Vietnam Investment Joint-Stock Company		Hoi An Pearl Joint Stock Company	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Net cash (used in)/ generated from operating activities	(48,715)	(20,188)	1,232,069	1,328,219	(299,377)	2,710,719
Net cash used in investing activities	–	–	(6,202,466)	(8,148,353)	(3,422,721)	(11,030,934)
Net cash (used in)/ generated from financing activities	–	–	(4,932,605)	6,008,783	3,689,721	9,301,449

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 Property, plant and equipment

	Furniture and fittings	Office equipment	Renovation	Construction in progress	Total
	\$	\$	\$	\$	\$
Group					
2021					
<i>Cost</i>					
Beginning of financial year	1,488	113,552	18,680	50,595,874	50,729,594
Additions	–	–	–	11,002,856	11,002,856
Currency translation differences	–	1,733	–	2,011,298	2,013,031
End of financial year	1,488	115,285	18,680	63,610,028	63,745,481
<i>Accumulated depreciation</i>					
Beginning of financial year	1,488	69,097	18,680	–	89,265
Depreciation charge (Note 4)	–	20,362	–	–	20,362
Currency translation differences	–	845	–	–	845
End of financial year	1,488	90,304	18,680	–	110,472
Net book value					
End of financial year	–	24,981	–	63,610,028	63,635,009
2020					
<i>Cost</i>					
Beginning of financial year	1,488	106,941	18,680	32,814,355	32,941,464
Additions	–	7,350	–	18,896,104	18,903,454
Written-off	–	–	–	(38,426)	(38,426)
Currency translation differences	–	(739)	–	(1,076,159)	(1,076,898)
End of financial year	1,488	113,552	18,680	50,595,874	50,729,594
<i>Accumulated depreciation</i>					
Beginning of financial year	1,488	47,008	18,680	–	67,176
Depreciation charge (Note 4)	–	22,558	–	–	22,558
Currency translation differences	–	(469)	–	–	(469)
End of financial year	1,488	69,097	18,680	–	89,265
Net book value					
End of financial year	–	44,455	–	50,595,874	50,640,329

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15 Property, plant and equipment (continued)

	Furniture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$
Company				
2021				
<i>Cost</i>				
Beginning and end of financial year	1,488	64,927	18,680	85,095
<i>Accumulated depreciation</i>				
Beginning of financial year	1,488	47,770	18,680	67,938
Depreciation charge	–	13,075	–	13,075
End of financial year	1,488	60,845	18,680	81,013
Net book value				
End of financial year	–	4,082	–	4,082
2020				
<i>Cost</i>				
Beginning of financial year	1,488	57,577	18,680	77,745
Additions	–	7,350	–	7,350
End of financial year	1,488	64,927	18,680	85,095
<i>Accumulated depreciation</i>				
Beginning of financial year	1,488	32,970	18,680	53,138
Depreciation charge	–	14,800	–	14,800
End of financial year	1,488	47,770	18,680	67,938
Net book value				
End of financial year	–	17,157	–	17,157

Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of \$63,610,028 (2020: \$50,595,874) (Note 19).

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

	Group	
	2021	2020
	\$	\$
Beginning of financial year	2,016,492	435,530
Additions	2,307,108	1,633,148
Currency translation differences	98,753	(52,186)
End of financial year	4,422,353	2,016,492

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 Right-of-use assets

Nature of the Group's leasing activities

Property

The Group leases office space for the purpose of back office operations.

Prepaid leases

The Group has made an upfront payment to secure the land-use-rights of leasehold land, which is used in the Group's construction of the hotel in Vietnam. The land-use-rights of leasehold land in Vietnam are mortgaged to the banks as securities for certain bank borrowings (Note 19) of the Group.

(a) Carrying amounts

	Prepaid leases	Office premise	Total
	\$	\$	\$
Group			
2021			
<i>Cost</i>			
Beginning of financial year	1,786,477	88,691	1,875,168
Currency translation differences	10,521	–	10,521
End of financial year	1,796,998	88,691	1,885,689
<i>Accumulated depreciation</i>			
Beginning of financial year	105,163	45,781	150,944
Depreciation charge (Note 4)	53,826	23,412	77,238
Currency translation differences	4,374	–	4,374
End of financial year	163,363	69,193	232,556
Net book value			
End of financial year	1,633,635	19,498	1,653,133
2020			
<i>Cost</i>			
Beginning of financial year	1,782,757	41,879	1,824,636
Additions	–	46,812	46,812
Currency translation differences	3,720	–	3,720
End of financial year	1,786,477	88,691	1,875,168
<i>Accumulated depreciation</i>			
Beginning of financial year	54,714	20,940	75,654
Depreciation charge (Note 4)	53,875	24,841	78,716
Currency translation differences	(3,426)	–	(3,426)
End of financial year	105,163	45,781	150,944
Net book value			
End of financial year	1,681,314	42,910	1,724,224

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 Right-of-use assets (continued)

(a) Carrying amounts (continued)

	Office premise
	\$
Company	
2021	
<i>Cost</i>	
Beginning and end of financial year	88,691
<i>Accumulated depreciation</i>	
Beginning of financial year	45,781
Depreciation charge	23,412
End of financial year	69,193
Net book value	
End of financial year	19,498
2020	
<i>Cost</i>	
Beginning of financial year	41,879
Additions	46,812
End of financial year	88,691
<i>Accumulated depreciation</i>	
Beginning of financial year	20,940
Depreciation charge	24,841
End of financial year	45,781
Net book value	
End of financial year	42,910

(b) Interest expense

	Group	
	2021	2020
	\$	\$
Interest expense on lease liabilities (Note 8)	1,608	1,406

(c) Lease expense not capitalised in lease liabilities

	Group	
	2021	2020
	\$	\$
Lease expense – short-term leases (Note 4)	22,466	34,679

(d) Total cash outflow for all the leases was \$47,066 (2020: \$59,279).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17 Other payables

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Current				
Other payables to:				
- non-related parties ⁽¹⁾	1,545,377	1,622,268	–	–
- subsidiary corporations ⁽⁶⁾	–	–	5,228,435	2,008,876
- non-controlling interest shareholder ⁽²⁾⁽⁵⁾	3,350,205	4,912,139	–	–
Loan from shareholders ⁽³⁾⁽⁴⁾	181,584	719,339	181,585	719,339
Loan from non-controlling interest shareholder ⁽⁵⁾	–	77,182	–	–
Interest payable to non-controlling interest shareholder	–	55,846	–	–
Accruals ⁽¹⁾	1,611,970	2,959,896	766,824	1,194,135
	<u>6,689,136</u>	<u>10,346,670</u>	<u>6,176,844</u>	<u>3,922,350</u>
Non-current				
Other payables to:				
- non-related parties	3,032	2,270	–	–
Loan from non-controlling interest shareholder ⁽⁵⁾	93,572	13,172	–	–
	<u>96,604</u>	<u>15,442</u>	<u>–</u>	<u>–</u>
Total other payables	<u>6,785,740</u>	<u>10,362,112</u>	<u>6,176,844</u>	<u>3,922,350</u>

⁽¹⁾ Other payables to non-related parties and accruals principally comprise amounts outstanding for construction projects and on-going costs.

⁽²⁾ Other payables to non-controlling interest shareholder relates to investment in one of the subsidiary corporation amounting to \$3,350,205 (2020: \$3,273,029) (Note 14) and investment in joint venture classified as asset held for sale of \$Nil (2020: \$1,639,110) (Note 10) which has been repaid during the financial year.

⁽³⁾ A loan from shareholder amounting to \$146,450 (2020: \$700,000) was obtained and the loan is interest free and unsecured as at 31 December 2021. During the financial year, a repayment were made for the amount of \$553,551, the balance is due in April 2021 and has been extended to April 2022 subsequent to the financial year end.

⁽⁴⁾ A loan from another shareholder amounting to \$35,134 (2020: \$19,339) was obtained and the loan is interest free and unsecured as at 31 December 2021. The repayment of loan is due in November 2021 and has been extended to November 2022 subsequent to the financial year end.

⁽⁵⁾ Loan from non-controlling interest shareholder 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. The initial repayment term was due in September 2020. During the financial year, the repayment term has been extended to March 2026 and the interest on loan from non-controlling interest shareholder has been waived off. Management is of the opinion that the fair value of the non-current loan from non-controlling interest shareholder is approximate to their carrying value.

⁽⁶⁾ Other payables to subsidiary corporations are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18 Lease liabilities

	Group and Company	
	2021	2020
	\$	\$
Maturity analysis:		
Year 1	20,500	24,600
Less: Unearned interest	(396)	(1,607)
	<u>20,104</u>	<u>22,993</u>
Maturity analysis:		
Year 2	–	20,500
Less: Unearned interest	–	(397)
	<u>–</u>	<u>20,103</u>

19 Bank borrowings

	Group	
	2021	2020
	\$	\$
Current		
Bank borrowings	3,674,460	950,052
Non-current		
Bank borrowings	41,588,196	32,113,603
Total borrowings	<u>45,262,656</u>	<u>33,063,655</u>

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2021	2020
	\$	\$
6 months or less	42,262,656	33,063,655
	<u>42,262,656</u>	<u>33,063,655</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19 Bank borrowings (continued)

(a) Security granted

The Group has three principal bank loans:

- i. A loan of \$4,301,532 as at 31 December 2019 which is repayable over 26 instalments after 18 months from the first disbursement date.

The loan is secured by the leasehold land of the project (Note 16). The loan bears minimum 9% per annum for first 12 month after first disbursement date, 25 January 2019 and subsequently bears prime rate plus a minimum interest rate of 3.5% per annum. The prime interest rate is equal to the interest rate on saving accounts in Vietnamese Dong (“**VND**”) plus the incremental cost of capital.

The Group has refinanced the loan with another financial institution during the financial year ended 31 December 2020. Accordingly, the credit facilities have been revised from VND350,000,000,000 (equivalent to \$20,590,000) to VND380,000,000,000 (equivalent to \$22,000,000) for the purpose of HAP project in Vietnam.

The revised terms of the new term loan are as follows:

A loan of \$17,566,446 as at 31 December 2021 (2020: \$13,399,428) which is repayable over 32 instalments after 12 months from the first disbursement date. The loan was drawn down for the purpose of financing of project construction costs. The interest rate is determined by the bank at the time of each disbursement.

The loan is guaranteed by (i) joint and several personal guarantees given by the non-controlling interest shareholders; and secured by (ii) the leasehold land of the project (Note 16).

- ii. A loan of \$24,696,210 as at 31 December 2021 (2020: \$19,664,227) which is repayable over 8 instalments after 39 months from the first drawdown date. The loan was drawn down for the purpose of financing 67% of project construction costs. The interest rate is the sum of the Margin (1% to 3% per annum) and the higher of US LIBOR and Cost of Funds (or such other rate determined at the sole discretion of the financial institution).

The loan is guaranteed by (i) joint and several personal guarantees given by directors and non-controlling interest shareholders; and secured by (ii) pledged deposits (Note 12); and (iii) the freehold land of the project included in “Construction in progress” (Note 15). The total loan balance is required not to exceed 70% of the value of the mortgaged assets during the tenor of the loan.

- iii. A Temporary Bridging Loan (“**TBL**”) of \$3,000,000 as at 31 December 2021 which is repayable over 5 years after 12 months from the first drawdown date. The interest rate is fixed at 3% per annum. The loan is guaranteed by personal guarantees from a controlling shareholder.

As at 31 December 2021, the Group has approximately \$9,748,163 (2020: \$18,919,624) undrawn committed bank facilities available.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

19 Bank borrowings (continued)

(b) Fair value of non-current borrowings

	Group	
	2021	2020
	\$	\$
Bank borrowings	31,068,634	22,628,693

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2021	2020
	%	%
Bank borrowings	4.00 to 5.25	4.00

The fair values are within Level 2 of the fair value hierarchy.

20 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

	Group	
	2021	2020
	\$	\$
Deferred tax assets	1,055,138	765,071

The movement in the net deferred income tax account is as follows:

	Group	
	2021	2020
	\$	\$
Beginning of financial year	765,071	467,739
Credited to		
- profit or loss (Note 9(a))	290,067	297,332
End of financial year	1,055,138	765,071

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21 Share capital

	Group and Company	
	No. of ordinary shares	Amount
		\$
2021 and 2020		
Beginning and end of financial year	1,950,619,331	52,411,370

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

22 Reserves

(a) *Composition:*

	Group	
	2021	2020
	\$	\$
Currency translation reserve	(465,499)	(631,311)
Other reserves	(3,376,847)	(3,376,847)
	<u>(3,842,346)</u>	<u>(4,008,158)</u>

Reserves are non-distributable.

(b) *Movements:*

(i) Currency translation reserve

	Group	
	2021	2020
	\$	\$
Beginning of financial year	(631,311)	(655,298)
Reclassification to profit or loss upon disposal of subsidiary corporation (Note 12)	–	6,324
Net currency translation differences of financial statements of foreign subsidiary corporations	570,738	(129,305)
Less: Non-controlling interests	(404,926)	146,968
	<u>165,812</u>	<u>23,987</u>
End of financial year	<u>(465,499)</u>	<u>(631,311)</u>

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22 Reserves (continued)

(b) *Movements: (continued)*

(ii) Statutory reserve

	Group	
	2021	2020
	\$	\$
Beginning of financial year	–	119,135
Disposal of subsidiary corporations	–	(119,135)
End of financial year	–	–

In accordance with People's Republic of China ("PRC") regulations, the PRC subsidiary corporation 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 corporation.

(iii) Other reserves

	Group	
	2021	2020
	\$	\$
Beginning and end of financial year	(3,376,847)	(3,376,847)

This represents the Group's obligation to acquire equity interests in one of its subsidiary corporation (Note 14).

23. Contingencies

Company

The Company has issued corporate guarantee amounted to USD6,000,000 (equivalent to \$8,110,200 (2020: \$7,932,600)) to bank for borrowing of a subsidiary corporation.

The Company has evaluated the fair value of the corporate guarantee and is of the view that the consequential liabilities derived from its guarantee to the bank and the fair value of the corporate guarantee are minimal. The subsidiary corporation for which the corporate guarantee was provided are in favourable equity position, with no default in the payment of borrowings and credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

24 Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	2021	2020
	\$	\$
Beginning of financial year	38,080,295	36,587,188
Net loss	835,010	1,493,107
End of financial year	<u>38,915,305</u>	<u>38,080,295</u>

25 Commitments

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	\$	\$
Construction of property, plant and equipment	<u>15,533,156</u>	<u>19,349,421</u>

26 Financial risk management

Financial risk factors

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.

(a) *Market risk*

(i) *Foreign exchange risk*

The Group transacts businesses significantly in Singapore Dollar, United States Dollar and Vietnamese Dong. Transactions in other currencies are limited.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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	
	2021	2020	2021	2020
	\$	\$	\$	\$
United States Dollar	44,782,098	45,290,199	(61,894,451)	(58,740,943)
Singapore Dollar	1,848,858	1,848,858	(33,653)	(28,802)
Company				
United States Dollar	17,653,997	17,671,674	(391,454)	(171,893)

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 relevant foreign currency strengthens by 10% against the functional currencies of the group entities, the loss before income tax will decrease/(increase) by:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Impact to profit or loss				
United States Dollar	(1,711,235)	(1,345,074)	1,726,254	1,749,978
Singapore Dollar	(181,520)	(182,006)	–	–

If the relevant foreign currencies weaken by 10% against the functional currencies of the group entities, the impact will be converse of the amount shown above.

(ii) Interest rate risk

The Group's interest rate risk is primarily from loan from non-controlling interest shareholder and bank borrowings with financial institutions. The Group's 5-year term loan and loan from non-controlling interest bears fixed interest rate of 3% and 15% respectively per annum effectively eliminating interest risk.

Other bank borrowings bear variable interest rate on which effective interest rates on which effective hedges have not been entered into.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for interest bearing financial instruments at the balance sheet 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 financial years ended 31 December 2021 and 2020 would not be materially impacted as the interest on borrowings except for temporary bridging loan interest has been capitalised as property, plant and equipment.

(b) Credit risk

Other receivables

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

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.

The Group is exposed to concentration of credit risk as at 31 December 2021 on loan receivables from non-controlling interest shareholder, Panthera, amounting to \$6,012,194 (2020: \$6,540,009), which accounted for 55% (2020: 52%) 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial risk management (continued)

(b) Credit risk (continued)

Other receivables (continued)

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

Group	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2021					
Other receivables	Performing	12m ECL	6,091,228	–	6,091,228
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>(116,686)</u>	
2020					
Other receivables	Performing	12m ECL	9,567,147	–	9,567,147
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>(116,686)</u>	
Company	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2021					
Other receivables	Performing	12m ECL	18,031,219	(316,305)	17,714,914
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>(432,991)</u>	
2020					
Other receivables	Performing	12m ECL	18,265,881	(316,180)	17,949,701
Other receivables	In default	Lifetime ECL	116,686	(116,686)	–
				<u>(432,866)</u>	

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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial risk management (continued)

(b) Credit risk (continued)

Other receivables (continued)

Management is of the view the credit risk on the amount due from subsidiary corporations 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.

The Group applied the expected credit losses model prescribed by SFRS(I) 9 *Financial instruments*. The impairment methodology is set out above.

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. Management is of the view that credit risk associated with receivables from the non-controlling interest shareholder is mitigated as they are of good credit-standing and nothing has come to their attention that it should be impaired.

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

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Other receivables				
<u>Lifetime ECL (credit impaired)</u>				
Beginning of financial year	116,686	116,686	432,866	468,723
Loss allowance recognised	–	–	–	1,448
Written off	–	–	–	(37,198)
Foreign exchange adjustments	–	–	125	(107)
End of financial year	<u>116,686</u>	<u>116,686</u>	<u>432,991</u>	<u>432,866</u>

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Company	
	2021	2020
	\$	\$
Corporate guarantee provided to bank on subsidiary corporation's loan	<u>8,100,200</u>	<u>7,932,600</u>

Cash and cash equivalents

The Group and the Company held cash and bank balances of \$4,772,728 and \$1,927,835 (2020: \$3,042,591 and \$263,781) respectively. Cash and bank balances are held with bank and financial institution counterparties with sound credit ratings. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial risk management (continued)

(c) Liquidity risk

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. Management has also assessed that the Group and the Company will continue in operational existence for at least 12 months from the date of financial statements as disclosed in Note 2.1 to the financial statements.

The Group places its cash with reputable financial institutions.

Non-derivative financial assets

All non-derivative financial assets of the Group and the Company are non-interest bearing and due within one year as disclosed in Notes 12 and 13 to the financial statements respectively.

Non-derivative financial liabilities

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due less than 1 year equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year \$	Between 1 to 5 years \$	Over 5 years \$
Group			
2021			
Financial liabilities			
Non-interest bearing	6,689,136	3,032	–
Lease liabilities	20,104	–	–
Fixed interest rate	475,309	2,749,750	–
Floating interest rate	3,199,151	34,852,062	6,817,603
Total	<u>10,383,700</u>	<u>37,604,844</u>	<u>6,817,603</u>
2020			
Financial liabilities			
Non-interest bearing	10,269,488	2,270	–
Lease liabilities	22,993	20,500	–
Fixed interest rate	77,182	15,148	–
Floating interest rate	950,052	28,984,438	6,854,343
Total	<u>11,319,715</u>	<u>29,022,356</u>	<u>6,854,343</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Financial risk management (continued)

(c) Liquidity risk (continued)

Non-derivative financial liabilities (continued)

	Less than 1 year	Between 1 to 5 years	Over 5 years
	\$	\$	\$
Company			
2021			
Financial liabilities			
Non-interest bearing	6,176,844	–	–
Lease liabilities	20,104	–	–
Financial guarantee contract	8,110,200	–	–
	14,307,148	–	–
2020			
Financial liabilities			
Non-interest bearing	3,922,350	–	–
Lease liabilities	22,993	20,500	–
Financial guarantee contract	7,932,600	–	–
	11,877,943	20,500	–

(d) Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as 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.

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.

(e) Fair value measurements

Assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts. The fair value measurement of non-current borrowings is disclosed in Note 19 to the financial statements.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial assets, at amortised cost	10,863,956	12,609,738	19,642,749	18,213,482
Financial liabilities at amortised cost	52,068,500	43,468,863	6,196,948	3,965,446

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) *Sales and purchases of goods and services*

There are no sales and purchases of goods and services with related parties for the financial years ended 31 December 2021 and 2020.

(b) *Key management personnel compensation*

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

	Group	
	2021	2020
	\$	\$
Wages and salaries	651,505	570,026
Employer's contribution to defined contribution plans, including Central Provident Fund	43,865	32,073
	695,370	602,099

28 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 Board of Directors for the purposes of resource allocation and assessment of performance.

For management purposes, the Group is organised into the following operating segments as follows:

- (1) Property and hospitality segment mainly relates to (i) property ownership, development, management and investment; and (ii) hospitality services.
- (2) Corporate segment mainly relates to investment holding activities.
- (3) Others segment mainly relates to entities that are dormant.

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/losses incurred 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 that cannot be attributed to any one operating segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28 Segment information (continued)

The segment information provided to the Board of Directors for the reportable segments is as follows:

(a) Segment revenues and result

	Property and hospitality		Corporate		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	-	-	-	-	-	-	-	-
Segment results	621,568	(104,396)	(1,040,312)	(1,433,058)	(26,830)	76,360	(445,574)	(1,461,094)
Interest income							506,898	530,745
Finance expense							(62,020)	(1,406)
Loss before income tax							(696)	(931,755)
Income tax credit							285,095	295,049
Net profit/(loss) for the financial year							284,399	(636,706)

(b) Segment assets and liabilities

Segment assets	76,824,033	69,003,834	1,984,252	350,026	24,567	24,218	78,832,852	69,378,078
Segment liabilities	51,096,388	41,362,905	968,513	2,094,582	3,599	11,376	52,068,500	43,468,863
Capital expenditure	11,002,856	18,903,454	-	-	-	-	11,002,856	18,903,454
Depreciation of property, plant and equipment	7,287	7,757	13,075	14,801	-	-	20,362	22,558
Depreciation of right-of-use assets	53,826	78,716	23,412	-	-	-	77,238	78,716

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

28 Segment information (continued)

Geographical information

The Group's business segments operate in two main geographical areas

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally investments holdings, property development, residential property development and dormant entities.
- Vietnam – the operations in this area are principally hotel development, resort development, management consulting services, construction management services as well as investment holding and property development.

Non-current assets based on the geographical location of customers and assets respectively are as follows:

	Non-current assets	
	2021	2020
	\$	\$
Singapore	23,580	60,067
Vietnam	67,917,365	54,988,469
	<u>67,940,945</u>	<u>55,048,536</u>

29 Events occurring after reporting date

- (a) A loan agreement has been entered with Panthera and Ms. Nguyen Thai Dong Huong ("**Ms. Huong**") in January 2018, whereby the proposed repayment of the loan extended would be by way of transferring 51% of equity shares in HAP to Adv S2 ("**Shares Transfer**").

The Shares Transfer had been completed on 25 March 2022 upon receipt of the latest Enterprise Registration Certificate issued by The Department of Planning and Investment, Quang Nam Province. Following the completion of Shares Transfer, the Group is effectively owns 51% of the equity interest in HAP. The Shares Transfers is not expected to have a significant impact to the financial information of the Group as HAP has been recognised as indirect subsidiary corporation of the Group and the results of HAP has been consolidated in the Group's financial statements since financial year ended 31 December 2018.

- (b) On 31 March 2022, the Company has entered into a placement agreement (the "**Placement Agreement**") with SAC Capital Private Limited (the "**Placement Agent**").

Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 501,000,000 fully paid-up ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S\$0.0063 for each Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of up to S\$3,156,300 (the "**Proposed Placement**").

The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses (including listing and application fees, the commission payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$74,000, is approximately S\$3,082,300 (the "**Net Proceeds**"). The Company intends to use 100% of the Net Proceeds to further support the working capital requirements of the Group, which includes the construction costs required by the projects by Regis Bay Vietnam Investment Joint-Stock Company and Hoi An Pearl Joint Stock Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2022 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*:

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the balance sheet date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*:

Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 *Property, Plant and Equipment* (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*:

Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

31 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Adventus Holdings Limited on 8 April 2022.

STATISTICS OF SHAREHOLDING

As at 16 March 2022

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 16 March 2022, 41.72% 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 16 MARCH 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	3	0.22	71	0.00
100 – 1,000	68	4.92	41,287	0.00
1,001 – 10,000	152	11.01	887,505	0.05
10,001 – 1,000,000	1,025	74.22	224,273,230	11.50
1,000,001 AND ABOVE	133	9.63	1,725,417,238	88.45
TOTAL	1,381	100.00	1,950,619,331	100.00

STATISTICS OF SHAREHOLDING

As at 16 March 2022

TWENTY LARGEST SHAREHOLDERS

No.	Shareholder's Name	Number of Shares	
		Held	%
1	CHIN BAY CHING	506,739,359	25.98
2	KGI SECURITIES (SINGAPORE) PTE. LTD	378,000,000	19.38
3	CITIBANK NOMINEES SINGAPORE PTE LTD	251,065,772	12.87
4	LOW CHIN KWEE	89,786,067	4.60
5	KWA KAY HOW	34,318,500	1.76
6	DBS NOMINEES PTE LTD	27,820,600	1.43
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	20,151,600	1.03
8	TAN SWEE HONG	20,000,000	1.03
9	TAN LYE SENG	14,075,500	0.72
10	PHILLIP SECURITIES PTE LTD	13,829,400	0.71
11	OCBC SECURITIES PRIVATE LTD	12,922,200	0.66
12	OCBC NOMINEES SINGAPORE PTE LTD	10,640,500	0.55
13	MAYBANK SECURITIES PTE. LTD.	10,007,300	0.51
14	CHOI BOON WAI	8,984,000	0.46
15	PEY YEW HONG	8,600,000	0.44
16	RAFFLES NOMINEES (PTE) LIMITED	8,417,500	0.43
17	KOH KAH BENG (XU JIANG)	7,803,700	0.40
18	UOB KAY HIAN PTE LTD	7,590,000	0.39
19	ANG CHIN SHENG	7,540,900	0.39
20	CHAI BEE CHEAH	7,500,000	0.38
TOTAL		1,445,792,898	74.12

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Chin Bay Ching	506,739,359	25.98	249,865,772 ⁽¹⁾	12.81
Higashi & Sons Pte. Ltd	378,000,000 ⁽²⁾	19.38	–	–
Ng Lee Tian ⁽³⁾	–	–	378,000,000	19.38

Notes:

⁽¹⁾ 249,865,772 shares held in the name of Citibank Nominees Singapore Pte. Ltd

⁽²⁾ 378,000,000 shares held in the name of KGI Securities (Singapore) Pte. Ltd.

⁽³⁾ Based on the latest formal notification to the Company by way of prescribed form pursuant to the Securities and Futures (Disclosure of Interests) Regulations 2012 (being as at 17 December 2021), Ng Lee Tian is the sole legal and beneficial owner of Higashi & Sons Pte. Ltd. Accordingly, Ng Lee Tian is, by virtue of Section 7 of the Companies Act, deemed interested in the 378,000,000 shares, which Higashi & Sons Pte. Ltd. has direct interest in. However, based on the latest available ACRA Business Profile of Higashi & Sons Pte. Ltd. (being as at 12 Apr 2022), the shareholder of Higashi & Sons Pte. Ltd. is stated as Chuah Chong Eu. As the date of this report, the Company has not received any formal notification by way of prescribed form pursuant to the Securities and Futures (Disclosure of Interests) Regulations 2012 of any change of interest.

NOTICE OF ANNUAL GENERAL MEETING

*This Notice has been made available on SGXNet and the Company's corporate website and may be accessed at the URL <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/>. A printed copy of this Notice will **NOT** be despatched to members.*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Adventus Holdings Limited (the "**Company**") will be convened and held by way of electronic means on Wednesday, 27 April 2022 at 2.00 p.m. (Singapore time) for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2021 and the Directors' Statement and Independent Auditor's Report thereon. **[Resolution 1]**
2. To re-elect Mr Chin Rui Xiang, who is retiring pursuant to Article 95 of the Constitution of the Company. **[Resolution 2]**

Mr Chin Rui Xiang will, upon re-election as Director of the Company, shall remain as the Executive Director of the Company. (See Explanatory Note 1)
3. To re-elect Mr Wong Loke Tan, who is retiring pursuant to Article 95 of the Constitution of the Company. **[Resolution 3]**

Mr Wong Loke Tan will, upon re-election as Director of the Company, shall remain as the Chairman of the Remuneration Committee and the member of the Audit and Nominating Committees 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 2)
4. To approve Directors' fees of S\$125,000 for the financial year ending 31 December 2022 and the payment thereof on a quarterly basis (S\$125,000 for the financial year ended 31 December 2021). **[Resolution 4]**
5. To re-appoint Nexia TS Public Accounting Corporation as auditor of the Company and to authorise the Directors to fix its 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 1967 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);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules), 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 3) **[Resolution 6]**

8. Authority to offer and grant options and to allot and issue shares under the Adventus Employee Share Option Scheme

That pursuant to Section 161 of the Companies Act 1967, 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 allot and 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.
(See Explanatory Note 4) **[Resolution 7]**

By Order of the Board

Lee Bee Fong
Company Secretary
12 April 2022
Singapore

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. In relation to **Resolution 2** proposed in item 2 above, Mr Chin Rui Xiang is the son of the controlling shareholder of the Company, Mr Chin Bay Ching. Apart from that, there are no relationships (including immediate family relationships) between Mr Chin Rui Xiang and with the other Directors, the Company or its 5% shareholders.

The detailed information pursuant to Rule 720(5) of the Catalist Rules on Mr Chin Rui Xiang can be found under the section titled "Disclosure of Information on Directors Seeking Re-Election" in the Company's Annual Report.

2. In relation to **Resolution 3** proposed in item 3 above, there is no relationships (including immediate family relationships) between Mr Wong Loke Tan and with the other Directors, the Company or its 5% shareholders.

The detailed information pursuant to Rule 720(5) of the Catalist Rules on Mr Wong Loke Tan can be found under the section titled "Disclosure of Information on Directors Seeking Re-Election" in the Company's Annual Report.

3. **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 shares (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.

4. **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 offer and grant options and to allot and 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**.

NOTICE OF ANNUAL GENERAL MEETING

Important Notes:

1. **Pre-Registration:**

The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and shareholders will not be able to attend the AGM physically.

Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM which has been uploaded on SGXNet and the Company's website on the same day. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's corporate website <https://www.adventusholdings.com/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-visual webcast via mobile phones, tablets or computers. In order to do so, a member must pre-register by **2.00 p.m. on 24 April 2022**, at the URL https://us02web.zoom.us/webinar/register/WN_NwSU5-2uQ_afBkHU4N-cXg for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the "live" audio-visual webcast of the proceedings of the AGM by **2.00 p.m. on 26 April 2022**. Members who do not receive an email by **4.00 p.m. on 26 April 2022**, but have registered by the **24 April 2022** deadline, should contact the Company for assistance at the following email address: info@adventusholdings.com with the following details included: (1) the member's full name; and (2) his/her/its identification/ registration number.

Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act 2001) and wish to watch the "live" audio-visual webcast of the AGM must approach their respective depository agents to pre-register by **5.00 p.m. on 17 April 2022** in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.

Shareholders MUST NOT forward their abovementioned unique link to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload the Live Webcast. RECORDING OF THE AGM PROCEEDINGS in whatever form is also STRICTLY PROHIBITED.

2. **Submission of Questions:**

A member who pre-registers to watch the "live" audio-visual webcast may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by **2.00 p.m. on 19 April 2022** by email to info@adventusholdings.com. Please note that shareholders will not be to ask live questions during the AGM therefore it is important for shareholders to pre-register their participation in order to be able to submit their questions in advance of the AGM.

The Company will endeavor to address all substantial and relevant questions received from Shareholders prior to the AGM and publish its responses via SGXNet and on the Company's corporate website at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/> not later than **2:00 p.m. on 23 April 2022**.

The Company will endeavour to, within one (1) month after the date of the AGM, publish the minutes on SGXNet and the Company's corporate website at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/>.

3. **Submission of Proxy Form:**

A member will not be able to vote through the "live" audio-visual webcast and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. The proxy form for the AGM can also be accessed at the Company's corporate website at the URL <https://www.adventusholdings.com/> and is made available with this Notice of AGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> on the same day.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **5.00 p.m. on 17 April 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **2.00 p.m. on 25 April 2022**.

In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The Chairman of the Meeting, as a proxy, need not be a member of the Company.

The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- (a) if in hard copy by post, be lodged at the registered office of the Company, at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829; or
- (b) if by email, be received by info@adventusholdings.com.

in either case, no later than **2.00 p.m. on 25 April 2022**.

NOTICE OF ANNUAL GENERAL MEETING

A member who wishes to submit an instrument of proxy may also **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it 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 appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy).

In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member is not shown to have Shares entered against his/her/ its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

4. **Annual Report and other documents:**

The Annual Report for the financial year ended 31 December 2021 ("**FY2021 Annual Report**") which was issued on 12 April 2022 can be accessed at the Company's corporate website at the URL <https://www.adventusholdings.com/> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

This Notice of AGM and Proxy form in relation to the AGM are made available to members on 12 April 2022 via SGXNet and the Company's corporate website at the URL <https://www.adventusholdings.com/> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders are to note that printed copies of the FY2021 Annual Report, the Notice of AGM and Proxy form will not be sent.

5. **Important Notes:**

Due to the evolving COVID-19 situation in Singapore, further measures and/or changes to the AGM arrangements may be made on short notice in the ensuing days, even up to the day of the AGM. Shareholders are advised to check regularly the SGXNet and the Company's corporate website at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.adventusholdings.com/>.

In view of the above alternative arrangements, the Company seeks the understanding and cooperation of all shareholders in the event of any technical disruptions, and in enabling the Company to hold the AGM with the optimum safe distancing measures so to minimise the risk of community spread of COVID-19.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via "live" audio-visual webcast, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members of the Company (or their corporate representatives in the case of members of the Company which are legal entities) to the "live" audio-visual webcast to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members of the Company received before the AGM and if necessary, following up with the relevant members of the Company in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/ or guidelines by the relevant authorities.

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ADVENTUS HOLDINGS LIMITED

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

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT:

1. The Annual General Meeting ("AGM" or the "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this proxy form which can be assessed from the Company's corporate website at the URL <https://www.adventusholdings.com> and SGXNet.
2. **Shareholders will not be able to attend the AGM physically.** If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, **he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.** In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including CPF investors, SRS investors and holders under depository agents) and who wish to appoint the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including CPF agent banks, SRS approved banks or depository agents) to submit their votes by 5.00 p.m on 17 April 2022.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2022.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the AGM.

This form of proxy has been made available on SGXNet and the Company's corporate website and may be accessed at the URL <https://www.adventusholdings.com>. A printed copy of this proxy form will **NOT** be despatched to members.

I/We _____ NRIC/Passport No. _____

of _____ (Address)
being a member/members of ADVENTUS HOLDINGS LIMITED (the "Company"), hereby **appoint Chairman of the Meeting**, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting ("AGM" or the "Meeting") of the Company to be held by way of electronic means via "live" audio-visual webcast on **Wednesday, 27 April 2022 at 2.00 p.m. (Singapore time)** and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the Meeting, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the Meeting, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

No.	Resolutions Relating To:	For*	Against*	Abstain*
ORDINARY BUSINESS				
1.	Adoption of Directors' Statement and Financial Statements			
2.	Re-election of Mr Chin Rui Xiang			
3.	Re-election of Mr Wong Loke Tan			
4.	Approval of Directors' Fees for the financial year ending 31 December 2022 and the payment thereof on a quarterly basis			
5.	Re-appointment of Nexia TS Public Accounting Corporation as auditor of the Company and to authorise the Directors to fix its remuneration			
SPECIAL BUSINESS				
6.	Authority to Directors to allot and issue new shares			
7.	Authority to Directors to offer and grant options and to allot and 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 _____ 2022

Register	Number of Shares Held
CDP Register	
Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



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 2001), 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 member will not be able to vote through the "live" audio-visual webcast is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- (a) if in hard copy by post, be lodged at the registered office of the Company, at 52 Telok Blangah Road, #03-06 Telok Blangah House, Singapore 098829; or
- (b) if by email, be received by info@adventusholdings.com.

in either case, no later than **2.00 p.m. on 25 April 2022**.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where an instrument appointing the Chairman of the Meeting as proxy is submitted by email, it must be authorized in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

Where an instrument appointing the Chairman of the Meeting as proxy is signed or, as the case may be, authorised 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 appointing the Chairman of the Meeting as proxy, failing which the instrument may be treated as invalid.

5. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy if it 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 appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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 12 April 2022.

Affix
postage
stamp here

ADVENTUS HOLDINGS LIMITED

52 Telok Blangah Road
#03-06 Telok Blangah House
Singapore 098829

The logo for Adventus features the word "Adventus" in a blue, sans-serif font. A thin, curved blue line arches over the top of the letters, starting from the left and ending above the 's'.

Adventus Holdings Limited

Co.Reg.No. 200301072R

52 Telok Blangah Road

#03-06 Telok Blangah House

Singapore 098829

Phone : (65) 6382 2110

Fax : (65) 6382 2420