



**Securities Investors Association (Singapore)**

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**Issuer:** Adventus Holdings Limited

**Security:** Adventus Holdings Limited

**Meeting details:**

Date: 30 April 2019

Time: 3.00 p.m.

Venue: Bay Hotel at 50 Telok Blangah Road Singapore 098828

**Company Description**

Adventus Holdings Limited is a Singapore-based investment holding company engaged in the manufacture of sputtering targets and provision of services for thin film solutions. The Company operates through three segments: Advanced Materials & Solutions, Commodities and Mineral Resources, and Property and Hospitality. The Advanced Materials & Solutions segment is engaged in the distribution and provision of printing equipment and printing solutions; the distribution and manufacturing of sputtering targets, and the manufacturing and trading of energy efficient equipment and apparatus, as well as the provision of related services. The Commodities and Mineral Resources segment is engaged in the trading of commodities and mineral resources. The Property and Hospitality segment is engaged in the business of property ownership, development, management and investment, and hospitality services. Its subsidiaries include Apphia Advanced Materials Pte. Ltd. and Crimson Star Development Pte. Ltd.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=5EF](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5EF))

**Q1.** Since the group shifted its focus to Hotel Property Development and Investment business, the group has not recognised revenue in the past two financial years. The company has stated that the two 5-star hotels, namely the Da Nang 5-Star Hotel and the Hoi An 5-Star Resort projects in Vietnam, are progressing well.

- (i) When does management expect the hotels to open their doors and to generate its first dollar in revenue?**
- (ii) How much more capital is required to complete the construction and fit-out of the hotels? Does the group have the necessary capital to complete the hotel?**
- (iii) What is the current staff strength and what is the burn-rate of the group, given that the group does not have revenue? How long can the group continue with the current situation as its cash and cash equivalents amount to just under \$1 million (page 41)?**
- (iv) What is the level of oversight by management and the board on the day-to-day activities at the development sites in Vietnam?**

**Q2.** The disposal of Vinacon Investment and Development Company Limited (“VID”) was completed in 2017 with full settlement of balances from the unrelated party to VID. However, VID did not repay in full its payable to the group’s subsidiary, Crimson Star Development Pte Ltd (“CSDPL”), and accordingly, there is an allowance of doubtful receivables amounting to \$1,722,207.

As seen in Note 11 (page 80 – Assets classified as Held for sale), this has been recorded in “administrative expenses” and presented as part of “Loss for the year from discontinued operations” on the statement of profit or loss and other comprehensive income.

- (i) Can the board provide shareholders with an update of this? What are the efforts by the board and management to protect the interests of the company and the shareholders?**
- (ii) Is the group still trading with the parties involved?**
- (iii) Did the board carry out a review of the transaction and subsequently updated the group’s controls and risk management framework?**

**Q3.** On 14 March 2018, the company announced the appointments of Mr Chin Rui Xiang (aged 26) as executive director and managing director, Ms Chin Rui Shan (aged 27) overseas finance director and Mr. Sonny Wing Doug Wong (aged 33) as project director.

In the announcement of appointment notices, it was disclosed that the executive director and the executive officers were recommended by the nominating committee (NC).

- (i) What were the deliberations by the NC on the recommendations to the board? Can the NC elaborate further on the justification to recommend the above-mentioned executive officers and executive director?**
- (ii) How did the NC evaluate the potential candidates? Did the NC carry out a robust search and nominating process to find the best person for the job?**
- (iii) What are the roles and responsibilities of Mr Chin Rui Xiang as executive director? Is there a significant overlap with the executive chairman?**
- (iv) Can the NC help shareholders understand the key performance indicators that will be used to evaluate the executive directors?**

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Adventus%20Holdings%20Ltd&cid=6348,4571>

The company's response could be found here: -----