



BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No. 196900282M
Unaudited Financial Statements for the Year Ended 31 March 2018

Part I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) Income Statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease) %
	31/03/2018	31/03/2017	
	S\$'000	S\$'000	
Revenue	58,916	55,562	6.0
Other income including interest income (Note 1a(i))	3,101	1,976	56.9
Changes in inventories of finished goods	27	(241)	Nm
Materials and consumables used (Note 1a(ii))	(4,599)	(4,005)	14.8
Employee benefit costs	(20,648)	(20,051)	3.0
Depreciation and amortisation expenses	(5,587)	(5,793)	(3.6)
Other operating expenses (Note 1a(i))	<u>(18,509)</u>	<u>(18,274)</u>	1.3
Profit from operations	12,701	9,174	38.4
Finance costs (Note 1a(iii))	<u>(1,354)</u>	<u>(1,289)</u>	5.0
Profit before taxation	11,347	7,885	43.9
Taxation (Note 1a(v))	<u>(1,834)</u>	<u>(1,592)</u>	15.2
Net profit for the period	<u>9,513</u>	<u>6,293</u>	51.2
Attributable to:			
Equity holders of the Company	9,229	5,941	55.3
Non-controlling interests	284	352	(19.3)
Net profit for the period	<u>9,513</u>	<u>6,293</u>	51.2
Earnings per share			
Basic earnings per share (cents)	2.297	1.478	
Diluted earnings per share (cents)	2.297	1.478	

Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease) %
	First Quarter Ended		
	31/03/2018	31/03/2017	
	S\$'000	S\$'000	
Net profit for the period	9,513	6,293	51.2
Other comprehensive income/(loss) after tax :			
<i>Items that may be reclassified subsequently to profit or loss :</i>			
Currency translation differences on foreign operations (Note 1a(vi))	(7,666)	(7,839)	(2.2)
Financial assets at fair value through other comprehensive income			
- Fair value gain	3,851	237	1,524.9
Cash flow hedges			
- Fair value gain/(loss)	27	(72)	Nm
Other comprehensive loss for the period, net of tax	<u>(3,788)</u>	<u>(7,674)</u>	(50.6)
Total comprehensive profit/(loss) for the period	<u>5,725</u>	<u>(1,381)</u>	Nm
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	5,441	(1,733)	Nm
Non-controlling interests	284	352	(19.1)
Total comprehensive income/(loss) for the period	<u>5,725</u>	<u>(1,381)</u>	Nm

Nm denotes Not meaningful

Explanatory Notes

Note 1a(i) Included in "Other income including interest income" and "Other operating expenses" are the following items:

	Group	
	First Quarter Ended	
	31/03/2018	31/03/2017
	S\$'000	S\$'000
after crediting (other income including interest income):		
Interest income	12	105
Fair value gain on financial assets, at fair value through profit or loss	-	172
Foreign exchange gain (Note 1a(iv))	1,913	328
after debiting (other operating expenses):		
Loss on disposal of property, plant and equipment	-	5
Property, plant and equipment written off	141	147

Note 1a(ii) Materials and consumables used for the period ended 31 March 2018 increased mainly due to higher purchases by the Hotel Division.

Note 1a(iii) Finance costs for the period ended 31 March 2018 increased mainly due to increase in borrowings as compared to the corresponding period ended 31 March 2017.

Note 1a(iv) Foreign exchange gain for the period ended 31 March 2018 was due mainly to appreciation of Singapore Dollar against the United States Dollar and Australian Dollar.

Note 1a(v) The tax charge can be analysed as follows:

	Group	
	First Quarter Ended	
	31/03/2018	31/03/2017
	S\$'000	S\$'000
Current taxation charge	1,870	1,665
Deferred taxation credit recognised	(35)	(36)
Over provision in prior years	(1)	(37)
	<u>1,834</u>	<u>1,592</u>

Note 1a(vi) Currency translation differences on foreign operations was due mainly to appreciation of Singapore Dollar against the United States Dollar, Australian Dollar and Indonesian Rupiah.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		31/03/2018	31/12/2017	31/03/2018	31/12/2017
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties		505,796	506,218	-	-
Property, plant and equipment	A	568,837	571,003	418	459
Subsidiaries		-	-	693,629	682,604
Financial assets, at fair value through other comprehensive income ("FVOCI")	B	20,207	10,938	-	-
Club membership		21	21	21	21
Intangible assets		10,343	10,739	-	-
Rental lease receivables		193	254	-	-
Long-term prepayments	C	18,033	16,538	-	-
Deferred income tax assets		29	30	-	-
		<u>1,123,459</u>	<u>1,115,741</u>	<u>694,068</u>	<u>683,084</u>
Current assets					
Inventories		4,151	3,928	-	-
Financial assets, at fair value through profit or loss	B	-	5,419	-	-
Trade and other receivables		35,995	37,566	161	117
Advances to subsidiaries (non-trade)		-	-	20,581	17,984
Cash and cash equivalents	refer to 1(c) E	31,374	28,626	2,610	1,903
		<u>71,520</u>	<u>75,539</u>	<u>23,352</u>	<u>20,004</u>
Non-current assets classified as held for sale		199	198	-	-
Total assets		<u>1,195,178</u>	<u>1,191,478</u>	<u>717,420</u>	<u>703,088</u>
Equity attributable to equity holders of the Company					
Share capital		254,139	254,139	254,139	254,139
Retained profits	refer to 1(d)(i)	731,549	722,320	69,258	69,907
Other reserves	refer to 1(d)(i)	(98,364)	(94,576)	-	-
		<u>887,324</u>	<u>881,883</u>	<u>323,397</u>	<u>324,046</u>
Non-controlling interests	refer to 1(d)(i)	8,521	8,237	-	-
Total equity		<u>895,845</u>	<u>890,120</u>	<u>323,397</u>	<u>324,046</u>
Non-current liabilities					
Long-term borrowings and obligations under finance leases - secured		131,403	133,616	85,000	85,000
Long-term liabilities		18,072	20,944	-	-
Derivative financial instruments		110	137	-	-
Deferred income tax liabilities		17,204	18,311	-	-
		<u>166,789</u>	<u>173,008</u>	<u>85,000</u>	<u>85,000</u>

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31/03/2018</u>	<u>31/12/2017</u>	<u>31/03/2018</u>	<u>31/12/2017</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Current liabilities					
Trade and other payables		34,372	39,367	1,192	1,020
Current tax payables		8,986	7,349	167	167
Short-term borrowings and obligations under finance leases - secured	D	89,186	81,634	53,798	46,075
Advances from subsidiaries (non-trade)		-	-	253,866	246,780
	E	<u>132,544</u>	<u>128,350</u>	<u>309,023</u>	<u>294,042</u>
Total equity and liabilities		<u>1,195,178</u>	<u>1,191,478</u>	<u>717,420</u>	<u>703,088</u>

The material variances noted from the statement of financial position items as at 31 March 2018 as compared with those of 31 December 2017 are explained as follows:

- (A) "Property, plant and equipment" decreased due mainly to depreciation charge and foreign currency translation differences; partially offset by additional development cost for the hotel in Bintan, the second hotel in Maldives and the hotel in Douz, Tunisia.
- (B) "Financial assets at fair value through other comprehensive income" increased due mainly to reclassification of "Financial assets at fair value through profit or loss" to "Financial asset at fair value through other comprehensive income" upon adoption of FRS 109 Financial instruments.
- (C) "Long-term prepayments" increased due mainly to advances paid to contractors for the construction of second hotel in Maldives and the hotel in Douz, Tunis.
- (D) Short-term borrowings increased due mainly to additional bank borrowings for hotel construction.
- (E) Notwithstanding the Group and the Company having negative working capital as at 31 March 2018, the Group and the Company manage liquidity risk by ensuring there are sufficient cash and marketable securities to meet all normal operating commitments on a timely and cost-effective manner. This is done through management of cashflow from operating activities, having adequate amount of credit facilities and the ability to close market positions at short notice.
- 1(b)(ii) Aggregate amount of group's borrowings, debt securities and obligations under finance lease.

	<u>Group</u>			
	<u>As At 31/3/2018</u>		<u>As At 31/12/2017</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Amount repayable in one year or less, or on demand	89,186	-	81,634	-
Amount repayable after one year	131,403	-	133,616	-

Details of collaterals

The collaterals for the group's secured borrowings as at 31 March 2018 are as follows :

- Freehold properties, equipment and business of a foreign subsidiary
- First legal mortgage, rental proceeds, interests in tenancy agreements and insurance policies of the investment property at 541 Orchard Road, Singapore
- First legal mortgage, rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies of the hotel at 39 Scotts Road, Singapore
- First legal mortgage, rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies of the hotel at 707 Wellington Street, Perth WA 6000, Australia

The collateral for the group's finance lease as at 31 March 2018 is a vehicle of a foreign subsidiary.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows

	Group	
	First Quarter Ended	
	31/03/2018	31/03/2017
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before taxation	11,347	7,885
Adjustments for:		
Depreciation of property, plant and equipment	5,587	5,793
Dividend income	(16)	(14)
Interest income	(12)	(105)
Net loss on disposal of property, plant and equipment	-	5
Property, plant and equipment written off	141	147
Net fair value gain on financial assets at fair value through profit or loss	-	(172)
Interest expense	1,354	1,289
Replaced components of improvements to investment properties written off	-	48
Unrealised currency translation gains	(1,802)	(54)
Operating profit before working capital changes	16,599	14,822
(Increase)/Decrease in inventories	(276)	295
Decrease/(Increase) in operating receivables	2,632	(1,935)
Decrease in operating payables	(7,364)	(8,255)
Cash generated from operations	11,591	4,927
Income tax paid	(1,124)	(1,250)
Net cash generated from operating activities	10,467	3,677
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(11,862)	(5,140)
Payment for long-term prepayment	(3,264)	(6,922)
Additions to investment properties	(21)	(86)
Proceeds from disposal of property, plant and equipment	37	31
Investment income		
- Interest received	12	105
- Dividends received	16	14
Net cash used in investing activities	(15,082)	(11,998)
Cash Flows from Financing Activities		
Proceeds from bank borrowings	16,965	8,119
Repayment of bank borrowings	(7,890)	(26,407)
Payment of finance lease	(2)	(2)
Interest paid	(1,354)	(1,289)
Net cash generated from/(used in) financing activities	7,719	(19,579)
Net increase/(decrease) in cash and cash equivalents	3,104	(27,900)
Effect of currency translation of cash and cash equivalents	(153)	(126)
Cash and cash equivalents at beginning	28,039	94,129
Cash and cash equivalents at end (Note A)	30,990	66,103

Note A**Cash and cash equivalents**

	Group	
	First Quarter Ended	
	31/03/2018	31/03/2017
	S\$'000	S\$'000
Cash and cash equivalents comprise:		
Cash and bank balances	20,768	19,733
Fixed deposits	10,606	47,876
Less:		
Bank overdrafts	(384)	(1,506)
	30,990	66,103

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statement of Changes in Equity**The Group**

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital	Retained profits	Revaluation surplus reserve	Fair value reserve	Currency translation reserve	Premium paid on acquisition of non-controlling interests	Hedging reserve	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2018	254,139	722,320	5,730	973	(63,535)	(37,607)	(137)	881,883	8,237	890,120
Changes in equity for the period										
Profit for the period	-	9,229	-	-	-	-	-	9,229	284	9,513
Other comprehensive income/(loss) for the period	-	-	-	3,851	(7,666)	-	27	(3,788)	-	(3,788)
Balance at 31 March 2018	254,139	731,549	5,730	4,824	(71,201)	(37,607)	(110)	887,324	8,521	895,845
Balance at 1 January 2017	254,139	720,073	5,730	(178)	(40,255)	(37,607)	(181)	901,721	7,572	909,293
Changes in equity for the period										
Profit for the period	-	5,941	-	-	-	-	-	5,941	352	6,293
Other comprehensive income/(loss) for the period	-	-	-	237	(7,839)	-	(72)	(7,674)	-	(7,674)
Balance at 31 March 2017	254,139	726,014	5,730	59	(48,094)	(37,607)	(253)	899,988	7,924	907,912

The Company

	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2018	254,139	69,907	324,046
Changes in equity for the period			
Total comprehensive income/(loss) for the period	-	(649)	(649)
Balance at 31 March 2018	254,139	69,258	323,397
Balance at 1 January 2017	254,139	66,551	320,690
Changes in equity for the period			
Total comprehensive income/(loss) for the period	-	(455)	(455)
Balance at 31 March 2017	254,139	66,096	320,235

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There has been no change in the Company's share capital since the end of the previous period reported on.

The Company has no treasury shares and no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

There were no treasury shares as at 31 March 2018 and 31 December 2017. The total number of issued shares as at 31 March 2018 was 401,844,568 (31 December 2017: 401,844,568).

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

- SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)
- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

SFRS(I) requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group's financial statements.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group's existing hedges that are designated in effective hedging relationship continue to qualify for hedge accounting under SFRS(I) 9.

The Group has elected, at initial adoption, to present in other comprehensive income changes in the fair value of all its equity investments previously classified as Available-for-sale financial assets and Financial assets at fair value through profit or loss as these equity investments are held as long-term investment. These equity investments are now classified as financial assets at fair value through other comprehensive income ("FVOCI").

The impact on the Group's financial statements arising from the adoption of SFRS(I) 9 is as follows:

	As at 31/12/2017 reported under SFRS S\$'000	As at 01/01/2018 reported under SFRS(I) S\$'000
Financial assets at fair value through profit or loss (FVPL)	5,419	-
Available-for-sale financial assets	10,938	-
Financial assets at fair value through other comprehensive income (FVOCI)	-	16,357
Current tax payables	7,349	8,005
Deferred income tax liabilities	18,311	17,655
Other reserves	(94,576)	(94,576)
Retained profits	722,320	722,320

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 using the retrospective approach and applies all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedients used for completed contracts. Under these practical expedients, completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The application of SFRS(I) 15 does not have any significant impact on the Group's financial statements.

6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	First Quarter Ended 31/03/2018	First Quarter Ended 31/03/2017
Earnings per ordinary share after deducting any provision for preference dividends:		
Based on weighted average number of ordinary shares in issue (cents)	2.297	1.478
On a fully diluted basis (cents)	2.297	1.478

As at 31 March 2018, there was no outstanding share options.

The basic and diluted earnings per ordinary share for the year ended 31 March 2018 and 31 March 2017 has been calculated based on the Group's profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares of 401,844,568 and 402,069,168 in issue respectively during the financial period.

7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
Net asset value per ordinary share (S\$)	2.21	2.19	0.80	0.81

The net asset values per ordinary share as at 31 March 2018 and 31 December 2017 were calculated based on the number of issued shares (excluding treasury shares) of the Company at those dates of 401,844,568 and 401,844,568 ordinary shares respectively.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Segment Revenue	Group		Increase/ (Decrease) %
	First Quarter Ended		
	31/03/2018 S\$'000	31/03/2017 S\$'000	
Property - Rental	6,028	6,194	(2.7)
Hotel	35,147	32,025	9.7
Industrial	17,227	17,028	1.2
Investment	16	14	14.3
Others	498	300	66.0
Total	58,916	55,562	6.0
Segment result	Group		Increase/ (Decrease) %
	First Quarter Ended		
	31/03/2018 S\$'000	31/03/2017 S\$'000	
Property - Rental	4,291	4,390	(2.3)
Hotel	11,673	7,328	59.3
Industrial	2,248	2,704	(16.9)
Investment	9	189	(95.2)
Property - Development	(2)	(2)	-
Others ⁽¹⁾	57	253	(77.5)
Finance costs	18,276	14,862	23.0
Depreciation and amortisation expenses	(1,354)	(1,289)	5.0
Interest income	(5,587)	(5,793)	(3.6)
Interest income	12	105	(88.6)
Profit before taxation	11,347	7,885	43.9

Nm denotes Not meaningful

¹ Others include Corporate expenses.

FIRST QUARTER 2018 ANNOUNCEMENT

Overall Performance of the Group

The revenue of the Group for the quarter ended 31 March 2018 ('1Q2018') of S\$58.916 million increased by 6.0% from S\$55.562 million for the quarter ended 31 March 2017 ('1Q2017'). This was due mainly to higher revenue from the Hotel Division.

Profit before taxation for 1Q2018 of S\$11.347 million increased by 43.9% from 1Q2017 of S\$7.885 million. This was mainly due to higher contributions from the Hotel Division partially offset by lower profit before tax for the Industrial and Property - Rental Divisions.

Property - Rental Division

Revenue for the Property - Rental Division of S\$6.028 million for 1Q2018 decreased by 2.7% from S\$6.194 million for 1Q2017.

Accordingly, segment profit of S\$4.291 million for 1Q2018 decreased by 2.3% from S\$4.390 million for 1Q2017.

Hotel Division

Revenue for the Hotel Division of S\$35.147 million for 1Q2018 increased by 9.7% from S\$32.025 million for 1Q2017 due mainly to higher revenue from the hotel operations in Singapore, Mauritius, Zanzibar and Tunis, partially offset by lower revenue from the hotel operations in Australia.

Accordingly, segment profit of S\$11.673 million for 1Q2018 increased by 59.3% from S\$7.328 million for 1Q2017.

Industrial Division

Revenue for the Industrial Division of S\$17.227 million for 1Q2018 increased by 1.2% from S\$17.028 million for 1Q2017 due mainly to new contracts secured as well as the retention of existing contracts upon renewal.

Segment profit of S\$2.248 million for 1Q2018 decreased by 16.9% from S\$2.704 million for 1Q2017 mainly due to lower contract rates and higher operating costs.

Investment Division

Revenue for the Investment Division of S\$0.016 million for 1Q2018 increased by 14.3% from S\$0.014 million for 1Q2017 mainly due to higher dividend income received.

Segment profit of S\$0.009 million for 1Q2018 decreased by 95.2% from S\$0.189 million for 1Q2017 mainly due to absence of fair value gain recognised upon reclassification of financial assets at fair value through profit or loss to financial assets at fair value through other comprehensive income upon adoption of FRS 109 *Financial instruments* effective from 1 January 2018. The fair value gain/ loss will be recognised in other comprehensive income going forward.

Property - Development Division

The Group has not embarked on any new property development project.

Statement of Cash Flows

First Quarter 2018

Net increase in cash and cash equivalents of S\$3.104 million was due to cash generated from operating activities of S\$10.467 million and net cash generated from financing activities of S\$7.719 million, partially offset by net cash used in investing activities of S\$15.082 million. For details, please refer to Part 1(c).

Net cash generated from operating activities was due mainly to positive cash flow generated from business operations.

Net cash used in investing activities was due mainly to purchase of property, plant and equipment for the development of the Group's hotel in Bintan, the second hotel in Maldives and the hotel in Douz, Tunisia.

Net cash generated from financing activities was mainly due to proceeds from bank borrowings.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Property - Rental Division is expected to remain stable as the rental market in Singapore will remain stable with steady occupancy rate.

The market conditions in the countries in which the Hotel Division operates are expected to remain challenging amid geo-political developments in many places around the world. The Group's hotel in Bintan has commenced operations on 8 February 2018. Construction for the Group's second hotel in Maldives and the hotel in Douz, Tunisia are ongoing and barring any unforeseen circumstances, the Group's second hotel in Maldives is scheduled for operational completion in 3Q2018 and the hotel in Douz, Tunisia is scheduled for operational completion in 2Q2019.

The Industrial Division will continue to optimise its resources and manage cost-effectively due to competitive market conditions.

The Investment Division's performance will continue to be affected by volatility of the various stock markets.

The Property Development Division has yet to embark on any new development project.

Note 10a The above note contains forward looking statements that involve a fair amount of uncertainties pertaining to future operating conditions. Actual future performance may differ from those views expressed as a result of a number of uncertainties and assumptions such as the general economy and industry conditions, level of market competition and shift in supply or demand patterns. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11 **Dividend**

(a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No.

(b) **Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

12 **If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for the Group for the first quarter ended 31 March 2018.

13 **If no IPT mandate has been obtained, a statement to that effect**

Bonvests Holdings Limited has not obtained a general mandate from shareholders.

14 **Confirmation of procurement of undertakings from all directors and executives officers**

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

15 **Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Directors which may render the interim financial statements to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Foo Soon Soo

Company Secretary

9 May 2018