



RESPONSE TO QUERIES FROM A SHAREHOLDER ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors ("Board") of Bonvests Holdings Limited ("Company") refers to the queries raised by a Shareholder on 11 April 2023 and responds as follows:

1. The company profitability has hardly grown between 2017 and 2021. The profit has fallen from \$19.11m in 2017 with a huge loss of \$41m in 2020 and a relatively small profit of \$9.69m. This is a poor return from the capital deployed of \$1.23b in property, plant and equipment and investment properties. What is the projected or estimated profit in 2022? Will management elaborate on its strategies to help the company achieve higher profits?

Company's Response 1

The Company has released its FY2022 audited financial statements on SGX Net. The profit before tax for FY2022 was \$26.00 million as compared to \$19.11 million in FY2017.

2. The company has short term borrowings of \$336m and long term borrowings of \$43m. How is the company addressing the high cost of short term borrowings with the rising interest rates worldwide and the recession predicted by various economists? Would the company consider selling some hotels located in far flung locations in Africa which are not generating sufficient returns? The proceeds from the sale of these hotels could be used to reduce the overall debts of about \$400m.

Company's Response 2

The Company has reduced short term borrowings to \$134.45 million as at 31 December 2022. The Company will continue to monitor its investments to optimize cash flow and returns.

3. The net asset value has fallen from its highest value of \$2.19 in 2017/2018 to \$2.11 in 2021. The share price of Bonvests has generally traded below \$1 for the last few years. The biggest buyer of shares in Bonvests in the last few years is the biggest shareholder of the company. Would management comment on the deeply undervalued price of Bonvest? Would an issue of bonus shares or stock split help to increase the liquidity and enhance the value of the share price. Many old & poor suffering shareholders who have been loyal shareholders for many years are not getting any fair return on their investment in Bonvests.

Company's Response 3

The net value per share of the Group as at 31 December 2022 was \$2.08 per share. The Company has proposed a shareholder resolution to declare a final one-tier tax exempt dividend of 1.60 cents per share in respect of the financial year ended 31 December 2022.

By Order of the Board

Foo Soon Soo
Company Secretary

24 April 2023