



NOTICE OF RECISSION OF PROPOSED DIVIDEND IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Directors (the “Board” or “Directors”) of Bonvests Holdings Limited (“the Company” and together with its subsidiaries, the “Group” refers to the Company’s announcement on 2 March 2020 on the proposed dividend of 1 Singapore cent per share in respect of the financial year ended 31 December 2019 (“Proposed Dividend”), subject to shareholders’ approval at the annual general meeting of the Company to be held on 29 April 2020.

The Board would like to give notice of rescission of the Proposed Dividend. The rescission is taken after serious and careful deliberations by the Board.

The Company had disclosed in its results announcement on 28 February 2020 that the outbreak of the COVID-19 virus has and will negatively impact the demand for corporate and leisure travelers in our hotels and resorts. From the time of the Company’s results announcement to date, the COVID-19 situation has got worse. It has since been declared a global pandemic. Most countries have closed their borders and many cities have locked down. The Singapore Government also announced on 22 March 2020 to close Singapore border to short term visitors.

The Group’s hotel and resort business have been seriously affected. Furthermore, the Group’s rental division will also be negatively affected. The Group’s financial results and cash resources would progressively and seriously be negatively impacted as the outbreak continues. Management is therefore taking steps to institute measures to conserve the cash resources of the Group to sustain its business operations and ongoing projects to ensure the viability of the Group until the COVID-19 situation improves.

The Group’s staff have also taken temporary pay cuts ranging from 10% to 50% of their basic monthly salary in view of the deteriorating COVID-19 situation. The duration of the pay cuts will be reviewed on an on-going basis.

To show solidarity with Management, the Non-Executive and Independent Directors would voluntarily take a reduction of 10% of the Directors’ fees for FY2019 from that in FY2018.

The results of the Group for the current financial year will no doubt be adversely affected by the COVID-19 situation. While Directors and the Management have taken steps on cash conservation including a reduction in pay and Directors’ fees, the payment of the Proposed Dividend would further reduce the current cash resources of the Company. The Board has thus decided that in addition to the efforts taken by the Directors and the Group’s management and staff, it would be in the interest of the Company to rescind the Proposed Dividend.

The Board seeks the understanding of the shareholders that the Directors and Management are working together to do their best for the Company, and seek shareholders’ support for the Company in these challenging and unprecedented times.

By order of the Board
Ms Foo Soon Soo
Company Secretary

25 March 2020