



BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No. 196900282M
Unaudited Financial Statements for the year Ended 30 June 2020

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) %
	30/6/2020 S\$'000	30/6/2019 S\$'000	
Revenue	70,097	107,541	(34.8)
Interest income	307	430	(28.6)
Other income (Note 1a(i))	7,138	2,772	157.5
Changes in inventories of finished goods	635	230	176.1
Materials and consumables purchased (Note 1a(ii))	(5,856)	(9,040)	(35.2)
Employee benefit costs (Note 1a(iii))	(34,715)	(41,538)	(16.4)
Depreciation and amortisation expenses (Note 1a(iv))	(16,572)	(14,460)	14.6
Other operating expenses (Note 1a(i))	<u>(33,954)</u>	<u>(37,616)</u>	(9.7)
(Loss)/ profit from operations	(12,920)	8,319	Nm
Finance costs (Note 1a(v))	<u>(4,389)</u>	<u>(5,027)</u>	(12.7)
(Loss)/ profit before taxation	(17,309)	3,292	Nm
Taxation (Note 1a(vii))	<u>(536)</u>	<u>(2,230)</u>	(76.0)
Net (loss)/ profit for the period	<u><u>(17,845)</u></u>	<u><u>1,062</u></u>	Nm
Attributable to:			
Equity holders of the Company	(18,085)	790	Nm
Non-controlling interests	240	272	(11.8)
Net (loss)/ profit for the period	<u><u>(17,845)</u></u>	<u><u>1,062</u></u>	Nm
Earnings per share			
Basic (loss)/ earnings per share (cents)	(4.504)	0.197	
Diluted (loss)/ earnings per share (cents)	(4.504)	0.197	

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 Half Ended		
	30/6/2020	30/6/2019	
	S\$'000	S\$'000	
Net (loss)/ profit for the period	(17,845)	1,062	Nm
Other comprehensive income after tax :			
<i>Items that may be reclassified subsequently to profit or loss :</i>			
Currency translation gain/ (loss) on foreign operations (Note 1a(viii))	9,563	(625)	Nm
Cash flow hedges - Fair value gain	-	7	Nm
<i>Items that will not be reclassified subsequently to profit or loss :</i>			
Currency translation gain/ (loss) on foreign operations	1	(31)	Nm
Financial assets at fair value through other comprehensive income			
- Fair value gain	1,071	2,219	(51.7)
- Gain on disposal	-	4	Nm
Other comprehensive income for the period, net of tax	<u>10,635</u>	<u>1,574</u>	575.7
Total comprehensive (loss)/ income for the period	<u>(7,210)</u>	<u>2,636</u>	Nm
Total comprehensive (loss)/ income attributable to:			
Equity holders of the Company	(7,451)	2,395	Nm
Non-controlling interests	241	241	-
Total comprehensive (loss)/ income for the period	<u>(7,210)</u>	<u>2,636</u>	Nm

Nm denotes Not meaningful

Explanatory Notes

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

	Group	
	First Half Ended	
	30/6/2020	30/6/2019
	S\$'000	S\$'000
after crediting (other income):		
Gain on disposal of property, plant and equipment	109	23
Government grants	6,584	749
Foreign exchange gain (Note 1a(vi))	-	1,530
after debiting (other operating expenses):		
Property, plant and equipment written off	393	340
Foreign exchange loss (Note 1a(vi))	3,133	-
Fair value loss on investment properties	-	270

Note 1a(ii) Materials and consumables purchased for the period ended 30 June 2020 decreased mainly due to lower consumption by the Hotel Division as the Group's hotels are operating at reduced capacity.

Note 1a(iii) Employee benefit costs for the period ended 30 June 2020 decreased due mainly to cost containment measures taken by the Group amid the COVID-19 pandemic.

Note 1a(iv) Depreciation and amortisation increased for the period ended 30 June 2020 mainly due to additional depreciation charge on property, plant and equipment upon commencement of hotel operations.

Note 1a(v) Finance costs for the period ended 30 June 2020 decreased mainly due to lower interest rate as compared to the corresponding period ended 30 June 2019.

Note 1a(vi) Foreign exchange loss for the period ended 30 June 2020 was due mainly to depreciation of the Singapore Dollar against the United States Dollar and Australian Dollar.

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

	Group	
	First Half Ended	
	30/6/2020	30/6/2019
	S\$'000	S\$'000
Current taxation charge	802	2,558
Deferred taxation credit recognised	(249)	(328)
Over provision in prior years	(17)	-
	<u>536</u>	<u>2,230</u>

The taxation charge for the period ended 30 June 2020 relates to taxes on profits of certain subsidiaries which cannot be offset against losses of other subsidiaries within the Group.

Note 1a(viii) Currency translation gain for the period ended 30 June 2020 was mainly due to appreciation of Australian Dollar and United States Dollar against Singapore Dollar.

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	
		30/6/2020	31/12/2019	30/6/2020	31/12/2019
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	A	547,952	545,415	-	-
Property, plant and equipment	A	638,631	638,573	54	135
Right-of-use assets		45,388	45,213	-	-
Subsidiaries		-	-	827,548	823,366
Financial assets, at fair value through other comprehensive income ("FVOCI")		8,067	8,006	-	-
Financial assets, at fair value through profit or loss ("FVTPL")		3,000	3,000	-	-
Club membership		21	21	21	21
Intangible assets		10,366	10,629	-	-
Rental lease receivables		415	292	-	-
Long-term prepayments	B	3,475	2,874	-	-
Deferred income tax assets		1,830	1,581	-	-
		<u>1,259,145</u>	<u>1,255,604</u>	<u>827,623</u>	<u>823,522</u>
Current assets					
Inventories	C	6,350	8,318	-	-
Trade and other receivables		33,475	33,236	60	16
Income tax recoverable		2,987	3,060	-	-
Advances to subsidiaries (non-trade)		-	-	3,109	3,163
Cash and cash equivalents	refer to 1(c)	45,897	46,461	5,443	1,465
	F	<u>88,709</u>	<u>91,075</u>	<u>8,612</u>	<u>4,644</u>
Total assets		<u>1,347,854</u>	<u>1,346,679</u>	<u>836,235</u>	<u>828,166</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)	707,211	725,277	74,097	79,760
Other reserves	refer to 1(d)(i)	(92,145)	(102,760)	-	-
		869,205	876,656	328,236	333,899
Non-controlling interests	refer to 1(d)(i)	9,444	9,203	-	-
Total equity		<u>878,649</u>	<u>885,859</u>	<u>328,236</u>	<u>333,899</u>
Non-current liabilities					
Borrowings		150,948	150,941	150,000	150,000
Long-term liabilities	D	7,053	9,819	-	-
Lease liabilities		44,735	44,339	-	-
Deferred income tax liabilities		18,235	18,595	-	-
		<u>220,971</u>	<u>223,694</u>	<u>150,000</u>	<u>150,000</u>

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30/6/2020</u> <u>S\$'000</u>	<u>31/12/2019</u> <u>S\$'000</u>	<u>30/6/2020</u> <u>S\$'000</u>	<u>31/12/2019</u> <u>S\$'000</u>
Current liabilities					
Trade and other payables	E	34,723	40,492	987	969
Lease liabilities		860	443	-	-
Current tax payables		7,518	7,631	127	131
Borrowings		205,133	188,560	94,749	85,304
Advances from subsidiaries (non-trade)		-	-	262,136	257,863
	F	248,234	237,126	357,999	344,267
Total equity and liabilities		1,347,854	1,346,679	836,235	828,166

The material variances noted from the statement of financial position items as at 30 June 2020 as compared with those of 31 December 2019 are explained as follows:

- (A) "Investment properties" and "Property, plant and equipment" increased mainly due to addition to investment properties and property, plant and equipment.
- (B) "Long-term prepayments" increased mainly due to advances paid to consultants for development project.
- (C) "Inventories" decreased mainly due to lower purchases by the Hotel Division.
- (D) Long-term liabilities decreased mainly due to release of retention sum relating to hotel construction.
- (E) Trade and other payables decreased mainly due to lower purchases by the Hotel Division.
- (F) Notwithstanding the Group and the Company having negative working capital as at 30 June 2020, the Group and the Company manage liquidity risk through management of cashflow from operating activities. Most of the Group's borrowings are secured borrowings for which the underlying estimated market value is in excess of the total facility amounts. The Group may also further leverage on unencumbered hotel properties for new credit facilities to ensure that the Group has adequate amount of credit facilities.

1(b)(ii) Aggregate amount of group's borrowings, debt securities and lease liabilities

	<u>Group</u>			
	<u>As At 30/6/2020</u>		<u>As At 31/12/2019</u>	
	<u>Secured</u> <u>S\$'000</u>	<u>Unsecured</u> <u>S\$'000</u>	<u>Secured</u> <u>S\$'000</u>	<u>Unsecured</u> <u>S\$'000</u>
Amount repayable in one year or less, or on demand	204,854	279	188,560	-
Amount repayable after one year	150,948	-	150,941	-

Details of collaterals

The collaterals for the group's secured borrowings as at 30 June 2020 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 secured lease liabilities as at 30 June 2020 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	
	<u>First Half Ended</u>	
	<u>30/6/2020</u>	<u>30/6/2019</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash Flows from Operating Activities		
(Loss)/ profit before taxation	(17,309)	3,292
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	16,572	14,460
Dividend income	(31)	(67)
Interest income	(307)	(430)
Net gain on disposal of property, plant and equipment	(109)	(23)
Property, plant and equipment written off	393	340
Interest expense	4,389	4,730
Net fair value loss on investment properties	-	270
Unrealised currency translation loss/ (gain)	2,459	(2,079)
Operating profit before working capital changes	<u>6,057</u>	<u>20,493</u>
(Increase)/ decrease in inventories	2,183	(268)
(Increase)/ decrease in operating receivables	760	(1,653)
Increase/ (decrease) in operating payables	<u>(6,133)</u>	<u>(4,977)</u>
Cash generated from operations	2,867	13,595
Income tax paid	<u>(1,488)</u>	<u>(4,281)</u>
Net cash generated from operating activities	1,379	9,314
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(6,507)	(15,485)
Payment for long-term prepayment	(552)	(4,976)
Additions to investment properties	(1,747)	(276)
Purchase of financial assets, at fair value through profit or loss	-	(3,000)
Proceeds from disposal of financial assets, at fair value through other comprehensive income	1,010	101
Proceeds from disposal of property, plant and equipment	222	130
Investment income		
- Interest received	307	430
- Dividends received	31	67
Net cash used in investing activities	(7,236)	(23,009)
Cash Flows from Financing Activities		
Proceeds from bank borrowings	15,410	24,515
Repayment of bank borrowings	(4,196)	(29,280)
Proceeds from finance lease	-	16
Principal payment of lease liabilities	(495)	-
Interest paid	(5,825)	(4,730)
Dividends paid		
- by the Company to its equity holders	-	(6,424)
- by subsidiaries to non-controlling interests	-	(140)
Net cash generated from/ (used in) financing activities	<u>4,894</u>	<u>(16,043)</u>
Net decrease in cash and cash equivalents	(963)	(29,738)
Effect of currency translation of cash and cash equivalents	36	375
Cash and cash equivalents at beginning	<u>46,383</u>	<u>63,960</u>
Cash and cash equivalents at end (Note A)	<u><u>45,456</u></u>	<u><u>34,597</u></u>

Note A**Cash and cash equivalents**

Cash and cash equivalents comprise:

Cash and bank balances

Fixed deposits

Less:

Bank overdrafts

	Group	
	First Half Ended	
	30/6/2020	30/6/2019
	S\$'000	S\$'000
Cash and bank balances	21,486	20,167
Fixed deposits	24,411	14,477
Less:		
Bank overdrafts	(441)	(47)
	45,456	34,597

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 2020	254,139	725,277	11,921	(5,352)	(71,659)	(37,670)	-	876,656	9,203	885,859
Changes in equity for the period										
Loss for the period	-	(18,085)	-	-	-	-	-	(18,085)	240	(17,845)
Other comprehensive income for the period	-	-	-	1,071	9,563	-	-	10,634	1	10,635
Dividend paid	-	-	-	-	-	-	-	-	-	-
Transfer upon disposal of investments	-	19	-	(19)	-	-	-	-	-	-
Balance at 30 June 2020	254,139	707,211	11,921	(4,300)	(62,096)	(37,670)	-	869,205	9,444	878,649
Balance at 1 January 2019	254,139	727,798	11,921	(6,857)	(71,611)	(37,670)	(7)	877,713	8,837	886,550
Changes in equity for the period										
Profit for the period	-	790	-	-	-	-	-	790	272	1,062
Other comprehensive income for the period	-	4	187	2,219	(812)	-	7	1,605	(31)	1,574
Dividend paid	-	(6,424)	-	-	-	-	-	(6,424)	(140)	(6,564)
Balance at 30 June 2019	254,139	722,168	12,108	(4,638)	(72,423)	(37,670)	-	873,684	8,938	882,622

The Company

	Share capital S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2020	254,139	79,760	333,899
Changes in equity for the period			
Total comprehensive loss for the period	-	(5,663)	(5,663)
Dividend paid	-	-	-
Balance at 30 June 2020	254,139	74,097	328,236
Balance at 1 January 2019	254,139	77,965	332,104
Changes in equity for the period			
Total comprehensive loss for the period	-	(2,612)	(2,612)
Dividend paid	-	(6,424)	(6,424)
Balance at 30 June 2019	254,139	68,929	323,068

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 options 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 30 June 2020 and 31 December 2019. The total number of issued shares as at 30 June 2020 was 401,516,968 (31 December 2019: 401,516,968).

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.

3A **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion.**

(a) Updates on the efforts taken to resolve each outstanding audit issues.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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.**

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2020. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The new/revised SFRS(I) 3 Business Combination effective for annual periods beginning on or after 1 January 2020 did not result in any substantial changes to the Group's accounting policies and has no significant impact on the Group's financial statements for the financial period ended 30 June 2020.

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.**

Earnings/ (loss) per ordinary share after deducting any provision for preference dividends:	Group	
	First Half Ended 30/06/2020	First Half Ended 30/06/2019
Based on weighted average number of ordinary shares in issue (cents)	(4.504)	0.197
On a fully diluted basis (cents)	(4.504)	0.197
Weighted average number of ordinary shares	401,516,968	401,516,968

As at 30 June 2020, there was no outstanding share options.

The basic and diluted earnings per ordinary share for the year ended 30 June 2020 and 31 December 2019 has been calculated based on the Group's profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue respectively during the financial year.

- 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	
	30/6/2020	31/12/2019	30/6/2020	31/12/2019
Net asset value per ordinary share (S\$)	2.16	2.18	0.82	0.83

The net asset values per ordinary share as at 30 June 2020 and 31 December 2019 were calculated based on the number of issued shares (excluding treasury shares) of the Company at those dates of 401,516,968 and 401,516,968 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 Half Ended		
	30/6/2020 S\$'000	30/6/2019 S\$'000	
Property - Rental	10,110	11,400	(11.3)
Hotel	33,117	62,091	(46.7)
Industrial	26,011	33,150	(21.5)
Investment	31	66	(53.0)
Others	828	834	(0.7)
Total	70,097	107,541	(34.8)
Segment result	Group		Increase/ (Decrease) %
	First Half Ended		
	30/6/2020 S\$'000	30/6/2019 S\$'000	
Property - Rental	7,052	7,890	(10.6)
Hotel	(1,627)	10,959	Nm
Industrial	3,252	3,608	(9.9)
Investment	20	51	(60.8)
Property - Development	(3)	(3)	-
Others ⁽²⁾	(3,059)	114	Nm
Earnings before interests, taxes, depreciation and amortisation ("EBITDA") ⁽¹⁾	5,635	22,619	(75.1)
Finance costs	(4,389)	(5,027)	(12.7)
Depreciation and amortisation expenses	(16,572)	(14,460)	14.6
Re-development related costs ⁽³⁾	(2,290)	-	Nm
Fair value gain/ (loss) on investment properties	-	(270)	Nm
Interest income	307	430	(28.6)
(Loss)/ Profit before taxation	(17,309)	3,292	Nm

Nm denotes Not meaningful

¹ Segment result is defined as profit/(loss) before interest, depreciation and amortisation, tax and other gain/(losses).

² Others mainly include Corporate expenses and foreign currency translation gain/ loss.

³ Re-development related costs expensed-off prior to obtaining development approval for properties in Perth, Australia.

HALF YEAR 2020 ANNOUNCEMENT

Overall Performance of the Group

The revenue of the Group for the period ended 30 June 2020 ('1H2020') of S\$70.097 million decreased by 34.8% from S\$107.541 million for the period ended 30 June 2019 ('1H2019').

Revenue of the Group has been adversely impacted by the on-going COVID-19 pandemic. The Group's Hotel division is experiencing a significant decline of both corporate and leisure travelers. As most of the Group's hotels are operating at reduced capacity, the Group's Hotel division has experienced a significant decline in revenue. The Group's Property - Rental division has also been negatively affected, mainly due to the circuit breaker restrictions in Singapore. The decrease in the Group's Industrial division's revenue is mainly due to the expiry of the public waste collection contract for Jurong sector on 31 March 2020.

EBITDA for 1H2020 of S\$5.635 million decreased by 75.1% as compared to 1H2019 EBITDA of S\$22.619 million mainly due to lower contributions from Hotel, Industrial and Property - Rental Divisions.

Group loss before taxation for 1H2020 of S\$17.309 million as compared to Profit before taxation for 1H2019 of S\$3.292 million is mainly due to lower EBITDA from Hotel, Industrial and Property - Rental Divisions, higher depreciation and re-development related costs for properties in Perth, Australia.

Property - Rental Division

Revenue for the Property - Rental Division of S\$10.110 million for 1H2020 decreased by 11.3% from S\$11.400 million for 1H2019 mainly due to lower rental rates and lease incentives accorded to new tenants.

Segment profit of S\$7.052 million for 1H2020 decreased by 10.6% from S\$7.890 million for 1H2019 mainly due to the lower revenue in 1H2020.

Hotel Division

Revenue for the Hotel Division of S\$33.117 million for 1H2020 decreased by 46.7% from S\$62.091 million for 1H2019 mainly due to the impact of the COVID-19 pandemic.

Segment loss of S\$1.627 million for 1H2020 as compared to segment profit of S\$10.959 million for 1H2019 mainly due to lower revenue.

Industrial Division

Revenue for the Industrial Division of S\$26.011 million for 1H2020 decreased by 21.5% from S\$33.150 million for 1H2019 due is mainly due to the expiry of the public waste collection contract for Jurong sector on 31 March 2020 for its waste disposal segment and expiry of contracts for its contract cleaning segment.

Segment profit of S\$3.252 million for 1H2020 decreased by 9.9% from S\$3.608 million for 1H2019 is mainly due to lower revenue partially offset by government grants and lower operating expenses.

Investment Division

Revenue for the Investment Division of S\$0.031 million for 1H2020 decreased by 53.0% from S\$0.066 million for 1H2019.

Segment profit of S\$0.020 million for 1H2020 decreased by 60.8% from S\$0.051 million for 1H2019.

Property - Development Division

Segment losses of S\$0.003 million for 1H2020 and S\$0.003 million for 1H2019 were due to general and administrative expenses incurred.

Statement of Cash Flows

Half Year 2020

Net decrease in cash and cash equivalents of S\$0.963 million was due to net cash used in investing activities of S\$7.236 million, partially offset by net cash generated from financing activities of S\$4.894 million and net cash generated from operations activities of S\$1.379 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 and addition to investment properties.

Net cash from financing activities was mainly due the proceeds from bank borrowings partially offset by repayment of bank borrowings and interest paid.

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 will be negatively impacted by the subdued sentiment in the property market due to the COVID-19 situation.

The market conditions in the countries in which the Hotel Division operates are expected to remain challenging. The outbreak of the COVID-19 pandemic will continue to adversely impact the demand for corporate and leisure travellers. The Group's hotels are operating at reduced capacity. The Group will continue to monitor the situation closely. Construction for the hotels in Douz, Tunisia and Medina, Tunisia are ongoing and barring any unforeseen circumstances, both hotels are scheduled for operational completion in 2021 and 2022 respectively.

The Industrial Division's operating environment is expected to remain competitive and its revenue will be affected due to the non-renewal of a major contract. The Division will continue to intensify effort to secure more contracts.

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

The Property Development Division has obtained development approval for the properties in Perth, Australia and is in initial planning stages of development.

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 period ended 30 June 2020 as it is not the usual practice of the Group to declare interim dividend.

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.

The Board of Directors would like to highlight that the carrying amounts of Investment properties ("IP") as at 30 June 2020 are based on the independent valuations as at 31 December 2019 and capital expenditure capitalised during the half-year; and Property, plant and equipment ("PPE") are recorded at carrying amounts less accumulated depreciation. The IP and PPE have not taken into account any potential impact of the COVID-19 pandemic, which may be significant.

The COVID-19 pandemic has resulted in significant market uncertainty in the short term as there is a lack of visibility on future cash flows and insufficient market transactions available to adopt meaningful benchmarks with regards to capitalisation rates, which has in turn, led to difficulties in obtaining appropriate property valuations.

The Group is of the view that under the current circumstances, it would be difficult to reasonably quantify any impact on the carrying amounts of the Group's properties as certain key assumptions used to derive valuations would be subjective and arbitrary due to the evolving situation.

For illustration purposes, a decline of 5% in the carrying amounts of Group's properties as at 30 June 2020 would have the following estimated impact on the net asset value per ordinary share of the Group. This sensitivity analysis assumes that all other variables remain constant.

	Group		
	30 June 2020	Illustrative impact	Proforma
Carrying value of Investment properties and Property, plant and equipment (S\$'000)	1,186,583	(59,329)	1,127,254
Number of ordinary shares	401,516,968	-	401,516,968
Net asset value per ordinary share (S\$) of the Group	2.16	(0.15)	2.01

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

13 August 2020