

**BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

Company Registration No. 196900282M

Unaudited Financial Statements for the Period Ended 30 September 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			Group		
	Third Quarter Ended		Increase/ (Decrease) %	9 Months Ended		Increase/ (Decrease) %
	30/09/2018	30/09/2017		30/09/2018	30/09/2017	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	56,920	54,745	4.0	165,869	159,781	3.8
Other income including interest income (Note 1a(i))	959	1,055	(9.1)	4,035	10,666	(62.2)
Changes in inventories of finished goods	(76)	(560)	(86.4)	(7)	(290)	(97.6)
Materials and consumables used (Note 1a(ii))	(5,131)	(4,221)	21.6	(13,461)	(12,537)	7.3
Employee benefit costs	(20,303)	(20,265)	0.2	(61,227)	(60,605)	1.0
Depreciation and amortisation expenses	(5,687)	(5,765)	(1.4)	(17,338)	(16,875)	2.7
Other operating expenses (Note 1a(i))	(19,323)	(18,062)	7.0	(56,801)	(53,340)	6.5
Profit from operations	7,359	6,927	6.2	21,070	26,800	(21.4)
Finance costs (Note 1a(iii))	(1,921)	(1,221)	57.3	(4,959)	(3,773)	31.4
Profit before taxation	5,438	5,706	(4.7)	16,111	23,027	(30.0)
Taxation (Note 1a(v))	(1,109)	(1,532)	(27.6)	(3,715)	(4,367)	(14.9)
Net profit for the period	4,329	4,174	3.7	12,396	18,660	(33.6)
Attributable to:						
Equity holders of the Company	4,155	3,939	5.5	11,813	17,850	(33.8)
Non-controlling interests	174	235	(26.0)	583	810	(28.0)
Net profit for the period	4,329	4,174	3.7	12,396	18,660	(33.6)
<b>Earnings per share</b>						
Basic earnings per share (cents)	1.035	0.980		2.941	4.440	
Diluted earnings per share (cents)	1.035	0.980		2.941	4.440	

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

	<u>Group</u>			<u>Group</u>		
	<u>Third Quarter Ended</u>		<u>Increase/ (Decrease)</u>	<u>9 Months Ended</u>		<u>Increase/ (Decrease)</u>
	<u>30/09/2018</u>	<u>30/09/2017</u>		<u>30/09/2018</u>	<u>30/09/2017</u>	
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Net profit for the period	4,329	4,174	3.7	12,396	18,660	(33.6)
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))	(4,526)	(4,396)	3.0	(4,559)	(18,356)	(75.2)
Financial assets at fair value through other comprehensive income						
- Fair value loss	-	(481)	Nm	-	(492)	Nm
Cash flow hedges						
- Fair value gain	12	47	(74.5)	99	17	482.4
<i>Items that will not be reclassified subsequently to profit or loss :</i>						
Financial assets at fair value through other comprehensive income						
- Fair value loss	(2,392)	-	Nm	(2,943)	-	Nm
Other comprehensive (loss)/income for the period, net of tax	(6,906)	(4,830)	43.0	(7,403)	(18,831)	(60.7)
Total comprehensive income/(loss) for the period	(2,577)	(656)	292.8	4,993	(171)	Nm
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	(2,742)	(891)	207.7	4,427	(969)	Nm
Non-controlling interests	165	235	(29.7)	566	798	(29.0)
Total comprehensive income/(loss) for the period	(2,577)	(656)	292.8	4,993	(171)	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:

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	<u>30/09/2018</u>	<u>30/09/2017</u>	<u>30/09/2018</u>	<u>30/09/2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
after crediting (other income including interest income):				
Interest income	57	59	102	256
Fair value gain on financial assets, at fair value through profit or loss	-	321	-	725
Gain on disposal of property, plant and equipment	88	-	88	12
Foreign exchange gain (Note 1a(iv))	346	-	-	166
Fair value gain on investment properties	-	-	1,911	7,052
after debiting (other operating expenses):				
Loss on disposal of property, plant and equipment	3	4	65	4
Property, plant and equipment written off	35	22	322	308
Foreign exchange loss (Note 1a(iv))	-	142	496	142

Note 1a(ii) Materials and consumables used for the period ended 30 September 2018 increased mainly due to higher purchases by the Hotel Division.

Note 1a(iii) Finance costs for the period ended 30 September 2018 increased mainly due to increase in borrowings as compared to the corresponding period ended 30 September 2017.

Note 1a(iv) Foreign exchange gain for the period ended 30 September 2018 was due mainly to depreciation of Australian Dollar against Singapore Dollar.

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

	<b>Group</b>		<b>Group</b>	
	<b>Third Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Current taxation charge	1,460	1,559	4,424	4,506
Deferred taxation credit recognised	(351)	(12)	(712)	(76)
Under/(over) provision in prior years	-	(15)	3	(63)
	<b>1,109</b>	<b>1,532</b>	<b>3,715</b>	<b>4,367</b>

Note 1a(vi) Currency translation differences on foreign operations was due mainly to depreciation of Tunisian Dinar and Australian Dollar against the 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.

	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>30/09/2018</b>	<b>31/12/2017</b>	<b>30/09/2018</b>	<b>31/12/2017</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>					
Investment properties	A	538,350	506,218	-	-
Property, plant and equipment		589,174	571,003	337	459
Subsidiaries		-	-	739,349	682,604
Financial assets, at fair value through other comprehensive income ("FVOCI")	B	13,414	10,938	-	-
Club membership		21	21	21	21
Intangible assets		10,142	10,739	-	-
Rental lease receivables		196	254	-	-
Long-term prepayments	C	24,258	16,538	-	-
Deferred income tax assets		29	30	-	-
		<b>1,175,584</b>	<b>1,115,741</b>	<b>739,707</b>	<b>683,084</b>
<b>Current assets</b>					
Inventories		4,092	3,928	-	-
Financial assets, at fair value through profit or loss	B	-	5,419	-	-
Trade and other receivables	D	30,629	37,566	194	117
Advances to subsidiaries (non-trade)		-	-	4,116	17,984
Cash and cash equivalents	refer to 1(c) F	33,109	28,626	4,581	1,903
		<b>67,830</b>	<b>75,539</b>	<b>8,891</b>	<b>20,004</b>
<b>Non-current assets classified as held for sale</b>		177	198	-	-
<b>Total assets</b>		<b>1,243,591</b>	<b>1,191,478</b>	<b>748,598</b>	<b>703,088</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital		254,139	254,139	254,139	254,139
Retained profits	refer to 1(d)(i)	727,268	722,320	63,884	69,907
Other reserves	refer to 1(d)(i)	(102,026)	(94,576)	-	-
		879,381	881,883	318,023	324,046
<b>Non-controlling interests</b>	refer to 1(d)(i)	8,657	8,237	-	-
<b>Total equity</b>		<b>888,038</b>	<b>890,120</b>	<b>318,023</b>	<b>324,046</b>

	Note	Group		Company	
		30/09/2018 S\$'000	31/12/2017 S\$'000	30/09/2018 S\$'000	31/12/2017 S\$'000
<b>Non-current liabilities</b>					
Long-term borrowings and obligations under finance leases - secured	E	128,677	133,616	85,000	85,000
Long-term liabilities		18,087	20,944	-	-
Derivative financial instruments		38	137	-	-
Deferred income tax liabilities		16,276	18,311	-	-
		<b>163,078</b>	<b>173,008</b>	<b>85,000</b>	<b>85,000</b>
<b>Current liabilities</b>					
Trade and other payables		37,295	39,367	911	1,020
Current tax payables		6,374	7,349	5	167
Short-term borrowings and obligations under finance leases - secured	E	148,806	81,634	83,810	46,075
Advances from subsidiaries (non-trade)		-	-	260,849	246,780
	F	<b>192,475</b>	<b>128,350</b>	<b>345,575</b>	<b>294,042</b>
<b>Total equity and liabilities</b>		<b>1,243,591</b>	<b>1,191,478</b>	<b>748,598</b>	<b>703,088</b>

The material variances noted from the statement of financial position items as at 30 September 2018 as compared with those of 31 December 2017 are explained as follows:

- (A) "Investment properties" increased due mainly to acquisition of investment properties in Perth.
- (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 the second hotel in Maldives and the hotel in Douz, Tunis.
- (D) "Trade and other receivables" decreased due mainly to timing of receipt of a fund remittance in transit in 4Q2017 for the Hotel Division and settlement of an advance payment made in 4Q2017 for the acquisition of investment properties in Perth.
- (E) Short-term borrowings increased due mainly to additional bank borrowings for acquisition of investment properties in Perth and for hotel construction.
- (F) Notwithstanding the Group and the Company having negative working capital as at 30 September 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.

	Group			
	As At 30/9/2018		As At 31/12/2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	148,808	-	81,634	-
Amount repayable after one year	128,677	-	133,616	-

#### Details of collaterals

The collaterals for the group's secured borrowings as at 30 September 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 30 September 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**

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	<u>30/09/2018</u>	<u>30/09/2017</u>	<u>30/09/2018</u>	<u>30/09/2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	5,438	5,706	16,111	23,027
Adjustments for:				
Depreciation of property, plant and equipment	5,687	5,765	17,338	16,875
Dividend income	(56)	(30)	(96)	(65)
Interest income	(57)	(59)	(102)	(256)
Net (gain)/loss on disposal of property, plant and equipment	(85)	4	(23)	(8)
Property, plant and equipment written-off	35	22	322	308
Net fair value gain on financial assets at fair value through profit or loss	-	(321)	-	(725)
Interest expense	1,921	1,221	4,959	3,773
Loss on disposal of club membership	-	92	-	92
Replaced components of improvements to investment properties written-off	-	-	-	72
Net fair value (gain)/loss on investment properties	-	-	(1,911)	(7,052)
Unrealised currency translation (gain)/loss	(321)	(379)	554	293
Operating profit before working capital changes	12,562	12,021	37,152	36,334
Decrease/(increase) in inventories	47	417	(217)	627
(Increase)/decrease in operating receivables	(847)	(4,679)	7,561	(1,379)
Increase/(decrease) in operating payables	2,729	5,077	(4,363)	(6,129)
Cash generated from operations	14,491	12,836	40,133	29,453
Income tax paid	(2,363)	(2,193)	(6,614)	(6,590)
Net cash generated from operating activities	12,128	10,643	33,519	22,863
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(10,234)	(12,372)	(35,063)	(28,880)
Payment for long-term prepayment	(3,951)	(8,166)	(10,382)	(22,700)
Additions to investment properties	(1)	(444)	(90)	(664)
Purchase of investment properties	-	-	(32,391)	-
Proceeds from disposal of financial assets, at fair value through profit or loss	-	343	-	343
Proceeds from disposal of property, plant and equipment	111	117	151	168
Proceeds from disposal of club membership	-	18	-	18
Acquisition of a subsidiary, net of cash acquired (Note B)	-	-	(5,555)	-
Investment income				
- Interest received	57	59	102	256
- Dividends received	56	30	96	65
Net cash used in investing activities	(13,962)	(20,415)	(83,132)	(51,394)

**Consolidated Statement of Cash Flows**

	<u>Group</u>		<u>Group</u>	
	<u>Third Quarter Ended</u>		<u>9 Months Ended</u>	
	<u>30/09/2018</u>	<u>30/09/2017</u>	<u>30/09/2018</u>	<u>30/09/2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Cash Flows from Financing Activities</b>				
Proceeds from bank borrowings	7,469	3,141	77,566	18,422
Repayment of bank borrowings	(1,455)	(14,733)	(10,911)	(42,562)
Payment of finance lease	(2)	(2)	(6)	(7)
Repurchase of shares	(223)	(293)	(434)	(293)
Interest paid	(1,921)	(1,221)	(4,959)	(3,773)
Dividends paid				
- by the Company to its equity holders	-	-	(6,430)	(10,454)
- by subsidiaries to non-controlling interests	-	-	(154)	(307)
Net cash generated from/(used in) financing activities	<u>3,868</u>	<u>(13,108)</u>	<u>54,672</u>	<u>(38,974)</u>
Net increase/(decrease) in cash and cash equivalents	2,034	(22,880)	5,059	(67,505)
Effect of currency translation of cash and cash equivalents	(9)	1	(103)	(274)
Cash and cash equivalents at beginning	<u>30,970</u>	<u>49,229</u>	<u>28,039</u>	<u>94,129</u>
Cash and cash equivalents at end (Note A)	<u><u>32,995</u></u>	<u><u>26,350</u></u>	<u><u>32,995</u></u>	<u><u>26,350</u></u>

**Note A****Cash and cash equivalents**

	<u>Group</u>	
	<u>Third Quarter &amp; 9 Months Ended</u>	
	<u>30/09/2018</u>	<u>30/09/2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash and cash equivalents comprise:		
Cash and bank balances	20,041	16,429
Fixed deposits	13,068	10,106
Less:		
Bank overdrafts	(114)	(185)
	<u><u>32,995</u></u>	<u><u>26,350</u></u>

**Note B****Acquisition of a subsidiary, net of cash acquired:**

The assets and liabilities of a subsidiary acquired during the period were as follows:

Non-current assets	5,555	-
Current assets	<u>2,120</u>	<u>-</u>
Net assets acquired	7,675	-
Less: cash & cash equivalent acquired	<u>(2,120)</u>	<u>-</u>
Cash outflow on acquisition	<u><u>5,555</u></u>	<u><u>-</u></u>

- 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		
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Balance at 1 July 2018</b>	254,139	723,336	5,730	422	(63,561)	(37,607)	(50)	882,409	8,485	890,894
<b>Changes in equity for the period</b>										
Profit for the period	-	4,155	-	-	-	-	-	4,155	174	4,329
Other comprehensive income/(loss) for the period	-	-	-	(2,392)	(4,517)	-	12	(6,897)	(9)	(6,906)
Change in interest in a subsidiary	-	-	-	-	-	(63)	-	(63)	7	(56)
Purchase and cancellation of shares	-	(223)	-	-	-	-	-	(223)	-	(223)
<b>Balance at 30 September 2018</b>	254,139	727,268	5,730	(1,970)	(68,078)	(37,670)	(38)	879,381	8,657	888,038
<b>Balance at 1 July 2017</b>	254,139	723,530	5,730	(189)	(54,203)	(37,607)	(211)	891,189	7,828	899,017
<b>Changes in equity for the period</b>										
Profit for the period	-	3,939	-	-	-	-	-	3,939	235	4,174
Total comprehensive income/(loss) for the period	-	-	-	(481)	(4,396)	-	47	(4,830)	-	(4,830)
Purchase and cancellation of shares	-	(293)	-	-	-	-	-	(293)	-	(293)
<b>Balance at 30 September 2017</b>	254,139	727,176	5,730	(670)	(58,599)	(37,607)	(164)	890,005	8,063	898,068

**The Company**

	Share capital	Retained profits	Total equity
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Balance at 1 July 2018</b>	254,139	60,185	314,324
<b>Changes in equity for the period</b>			
Total comprehensive income/(loss) for the period	-	3,922	3,922
Purchase and cancellation of shares	-	(223)	(223)
<b>Balance at 30 September 2018</b>	254,139	63,884	318,023
<b>Balance at 1 July 2017</b>	254,139	55,848	309,987
<b>Changes in equity for the period</b>			
Total comprehensive income/(loss) for the period	-	(842)	(842)
Purchase and cancellation of shares	-	(293)	(293)
<b>Balance at 30 September 2017</b>	254,139	54,713	308,852

- 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.**

Changes in share capital

During the financial period, the Company through market purchase, purchased and cancelled a total of Nil (30 September 2017: 224,600) ordinary shares.

	<u>30 September 2018</u>		<u>30 September 2017</u>	
	<u>Number of issued shares</u>	<u>Amount \$'000</u>	<u>Number of issued shares</u>	<u>Amount \$'000</u>
Balance as at 1 July	401,516,968	-	402,069,168	254
Shares cancelled during the period	-	-	(224,600)	-
Balance as at 30 September	<u>401,516,968</u>	<u>-</u>	<u>401,844,568</u>	<u>254</u>

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 September 2018 and 31 December 2017. The total number of issued shares as at 30 September 2018 was 401,516,968 (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:

	<b>As at 31/12/2017 reported under SFRS S\$'000</b>	<b>As at 01/01/2018 reported under SFRS(I) S\$'000</b>
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 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		Group	
	Third Quarter Ended 30/09/2018	Third Quarter Ended 30/09/2017	9 Months Ended 30/09/2018	9 Months Ended 30/09/2017
<b>Earnings per ordinary share after deducting any provision for preference dividends:</b>				
Based on weighted average number of ordinary shares in issue (cents)	1.035	0.980	2.941	4.440
On a fully diluted basis (cents)	1.035	0.980	2.941	4.440
Weighted average number of ordinary shares	401,516,968	401,964,068	401,720,315	402,030,793

As at 30 September 2018, there was no outstanding share options.

The basic and diluted earnings per ordinary share for the period ended 30 September 2018 and 30 September 2017 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 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	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
Net asset value per ordinary share (S\$)	2.19	2.19	0.79	0.81

The net asset values per ordinary share as at 30 September 2018 and 31 December 2017 were calculated based on the number of issued shares (excluding treasury shares) of the Company at those dates of 401,516,968 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) %	Group		Increase/ (Decrease) %
	Third Quarter Ended			9 Months Ended		
	30/09/2018 S\$'000	30/09/2017 S\$'000		30/09/2018 S\$'000	30/09/2017 S\$'000	
Property - Rental	5,911	6,060	(2.5)	18,017	18,421	(2.2)
Hotel	33,601	30,783	9.2	95,170	88,624	7.4
Industrial	16,951	17,491	(3.1)	51,417	51,638	(0.4)
Investment	56	30	88.7	96	65	47.7
Others	401	381	5.2	1,169	1,033	13.2
<b>Total</b>	<b>56,920</b>	<b>54,745</b>	<b>4.0</b>	<b>165,869</b>	<b>159,781</b>	<b>3.8</b>
Segment result	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	Third Quarter Ended			9 Months Ended		
	30/09/2018 S\$'000	30/09/2017 S\$'000		30/09/2018 S\$'000	30/09/2017 S\$'000	
Property - Rental	4,174	4,251	(1.8)	12,816	13,162	(2.6)
Hotel	7,753	6,240	24.2	20,647	16,114	28.1
Industrial	1,778	2,055	(13.5)	5,588	6,653	(16.0)
Investment	46	349	(86.8)	73	791	(90.8)
Property - Development	(2)	(1)	100.0	(5)	(5)	-
Others <sup>(1)</sup>	(760)	(261)	191.2	(2,724)	(348)	682.8
Finance costs	12,989	12,633	2.8	36,395	36,367	0.1
Depreciation and amortisation expenses	(1,921)	(1,221)	57.3	(4,959)	(3,773)	31.4
Fair value gain/(loss) on investment properties <sup>(2)</sup>	(5,687)	(5,765)	(1.4)	(17,338)	(16,875)	2.7
Fair value gain/(loss) on investment properties <sup>(2)</sup>	-	-	Nm	1,911	7,052	(72.9)
Interest income	57	59	(3.4)	102	256	(60.2)
<b>Profit before taxation</b>	<b>5,438</b>	<b>5,706</b>	<b>(4.7)</b>	<b>16,111</b>	<b>23,027</b>	<b>(30.0)</b>

Nm denotes Not meaningful

<sup>1</sup> Others include Corporate expenses and foreign currency translation gain/ loss.

<sup>2</sup> The revaluation of investment properties is performed at mid-year and year-end.

## **THIRD QUARTER 2018 ANNOUNCEMENT**

### **Overall Performance of the Group**

The revenue of the Group for the quarter ended 30 September 2018 ('3Q2018') of S\$56.920 million increased by 4.0% from S\$54.745 million for the quarter ended 30 September 2017 ('3Q2017'). This was due mainly to higher revenue from the Hotel Division.

The revenue of the Group for the 9 Months ended 30 September 2018 ('YTD3Q2018') of S\$165.869 million increased by 3.8% from S\$159.781 million for the 9 months ended 30 September 2017 ('YTD3Q2017').

Profit before taxation for 3Q2018 of S\$5.438 million decreased by 4.7% as compared to 3Q2017 Profit before taxation of S\$5.706 million mainly due to the higher finance costs arising from the additional bank borrowings.

Profit before taxation for YTD3Q2018 of S\$16.111 million decreased by 30.0% from YTD3Q2017 of S\$23.027 million mainly due to lower fair value gain on investment properties, higher depreciation charge and higher finance costs arising from the additional bank borrowings. Excluding the fair value gain on investment properties, the Profit before taxation for YTD3Q2018 of S\$14.200 million decreased by 11% from YTD3Q2017 of S\$15.975 million.

### **Property - Rental Division**

Revenue for the Property - Rental Division of S\$5.911 million for 3Q2018 decreased by 2.5% from S\$6.060 million for 3Q2017.

Revenue of S\$18.017 million for YTD3Q2018 decreased by 2.2% from S\$18.421 million for YTD3Q2017.

Accordingly, segment profit of S\$4.174 million for 3Q2018 decreased by 1.8% from S\$4.251 million for 3Q2017.

Segment profit of S\$12.816 million for YTD3Q2018 decreased by 2.6% from S\$13.162 million for YTD3Q2017.

### **Hotel Division**

Revenue for the Hotel Division of S\$33.601 million for 3Q2018 increased by 9.2% from S\$30.783 million for 3Q2017 due mainly to higher revenue generated from overseas hotels.

Revenue of S\$95.170 million for YTD3Q2018 increased by 7.4% from S\$88.624 million for YTD3Q2017.

Segment profit of S\$7.753 million for 3Q2018 increased by 24.2% from S\$6.240 million for 3Q2017 mainly due to higher revenue.

Segment profit of S\$20.647 million for YTD3Q2018 increased by 28.1% from S\$16.114 million for YTD3Q2017.

### **Industrial Division**

Revenue for the Industrial Division of S\$16.951 million for 3Q2018 decreased by 3.1% from S\$17.491 million for 3Q2017 due mainly to non-renewal of some contracts.

Revenue of S\$51.417 million for YTD3Q2018 decreased by 0.4% from S\$51.638 million for YTD3Q2017.

Segment profit of S\$1.778 million for 3Q2018 decreased by 13.5% from S\$2.055 million for 3Q2017 mainly due to lower revenue and profit margin.

Segment profit of S\$5.588 million for YTD3Q2018 decreased by 16.0% from S\$6.653 million for YTD3Q2017.

### **Investment Division**

Revenue for the Investment Division of S\$0.056 million for 3Q2018 increased by 88.7% from S\$0.030 million for 3Q2017 mainly due to higher dividend income received.

Revenue of S\$0.096 million for YTD3Q2018 increased by 47.7% from S\$0.065 million for YTD3Q2017.

Segment profit of S\$0.046 million for 3Q2018 decreased by 86.8% from S\$0.349 million for 3Q2017 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.

Segment profit of S\$0.073 million for YTD3Q2018 decreased by 90.8% from S\$0.791 million for YTD3Q2017.

### **Property - Development Division**

Since 2008, the Group has not embarked on any property development project.

## **Statement of Cash Flows**

### **Third Quarter 2018**

Net increase in cash and cash equivalents of S\$2.034 million was due to cash generated from operating activities of S\$12.128 million and net cash from financing activities of S\$3.868 million partially offset by net cash used in investing activities of \$13.962 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 second hotel in Maldives and the hotel in Douz, Tunisia.

Net cash 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 Singapore rental market outlook remains resilient.

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. Construction for the Group's second hotel in Maldives and the hotel in Douz, Tunisia are ongoing and barring any unforeseen circumstances, these two hotels are scheduled for operational completion in FY2019.

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 will continue to have no revenue contribution.

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 third quarter ended 30 September 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 November 2018