



Response to Queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on the Company’s Unaudited Interim Financial Statements for the Period Ended 30 June 2021

The Board of Directors (the "Board") of Bonvests Holdings Limited (the "Company") refers to the queries raised by the SGX-ST on 19 August 2021 and responds as follows:

- i. It is noted that the Group’s long-term prepayments and receivables amounted to S\$2,287,000 as at 30 June 2021. Please disclose:**
- a. The nature and breakdown of the Group’s long-term prepayments and receivables; and**
 - b. The underlying transactions and the terms of the transactions (including the contract sum) and payment terms of the underlying contracts.**

Company’s Response 1

The Group’s long-term prepayments and receivables as at 30 June 2021 comprised:

| | | S\$’000 |
|---|--|----------------|
| 1 | Prepayments for construction of hotel resorts ¹ | 1,888 |
| 2 | Long-term prepaid expenses | 399 |
| | | 2,287 |

¹ As at 30 June 2021, prepayments for construction of hotel resorts relate to prepayments made to contractors for the construction of the hotel resorts in Tunisia.

- ii. Please explain why interest income amounted to only S\$124,000 during the period ended 30 June 2021 when the Group has cash and bank balances amounting to S\$32,840,000.**

Company’s Response 2

The Group’s bank balances are mostly maintained in current accounts with low or no interest.

- iii. Please provide the reason for the significant borrowings of S\$385,265,000 by the Group when the Group recorded cash and bank balances amounting to S\$32,840,000 as at 30 June 2021.**

Company’s Response 3

The Group’s bank borrowings are used mainly to finance long-term capital commitments. The Group maintains cash and bank balances to enhance the Group’s working capital which will allow the Group the flexibility to manage its cash flow.

iv. Please provide the reason(s) for the trade and other payables of S\$28,850,000 when the Group recorded cash and bank balances of S\$32,840,000 as at 30 June 2021.

Company's Response 4

The Group pays its debts when due and ensures it has sufficient working capital.

v. As at 30 June 2021, the Group has total liabilities of S\$477,704,000 with cash and bank balances of S\$32,840,000. Please disclose the pro-active actions which management plans to take to ensure that the Group's financial position remains strong.

a. Please assess the Group's ability to operate as a going concern.

b. Please assess the Group's ability to meet its debt covenants (if any).

c. Please assess the Group's ability to meet its short-term obligations when they fall due.

Company's Response 5

The Company had made the following disclosure in paragraph 1(b)(i) Note F of the unaudited interim financial statements for the period ended 30 June 2021.

BY ORDER OF THE BOARD

Foo Soon Soo

Company Secretary

23 August 2021