



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 2023

The Board of Directors ("Board") of Bonvests Holdings Limited ("**Group**") refers to the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 3 October 2023 and responds as follows:

1. As at 30 June 2023, the Group has significant liabilities of S\$461.9 million with cash and bank balances of S\$24.3 million. Please disclose the pro-active actions which management plans to take to ensure that the Group’s financial position remains strong.

(i) Please assess the Company’s ability to operate as a going concern.

Company’s Response

Please refer to the Statement of Cash Flows of the Financial Statement for the period ended 30 June 2023 announced on SGX-Net on 14 August 2023. During the 6 months period ending 30 June 2023, the Group has generated positive operating cash flow of \$19,832,000. Management is proactively reviewing the progress of ongoing projects and prioritising the projects in view of rising interest rates and market volatility. Additionally, we are implementing measures to reduce unnecessary operating expenses. The Group is expected to continue to generate sufficient cash flow to fulfil its financial obligations. As at 30 June 2023, the Group has outstanding secured borrowings of \$359,897,000 and unutilised bank facilities of \$149,000,000.

With prudent monitoring of cash resources, management concluded that the Group will have sufficient financial resources to enable the Group to continue as a going concern.

(ii) Please assess the Company’s ability to meet its debt covenants (if any).

Company’s Response

Management will continuously monitor the Group's operating performance in relation to its debt covenants. The next assessment will be carried in December 2023 and we will provide further updates in due course.

(iii) Please assess the Company’s ability to meet its short-term obligations when they fall due.

Company’s Response

Please refer to the Company’s Response on Question 1(i).

2. Please indicate whether the ability for the Group to utilise additional credit facilities to meet short-term obligations, is limited by debt covenants of other existing financing facilities (i.e. Interest coverage ratio etc). If so, is the debt headroom still sufficient for the Company to utilise such additional credit facilities to meet short-term obligations?

Company's Response

The Group is expected to continue to generate positive operating cash flow going forward and has unutilised bank facilities of \$149,000,000 as at 30 June 2023. Management is of the view that the Group's debt headroom is sufficient for the operational needs of the Group. Please also refer to the Company's Response on Question 1(ii).

By Order of the Board

Foo Soon Soo
Company Secretary

6 October 2023