

**BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

Company Registration No. 196900282M

Unaudited Financial Statements for the Period Ended 30 June 2017

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		
	<u>30/06/2017</u>	<u>30/06/2016</u>	<u>Increase/ (Decrease)</u>	<u>30/06/2017</u>	<u>30/06/2016</u>	<u>Increase/ (Decrease)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Revenue	49,474	50,855	(2.7)	105,036	109,903	(4.4)
Other income including interest income (Note 1a(i))	7,635	8,985	(15.0)	9,611	11,719	(18.0)
Changes in inventories of finished goods	511	(13)	Nm	270	(264)	Nm
Materials and consumables used	(4,311)	(3,826)	12.7	(8,316)	(8,220)	1.2
Employee benefit costs (Note 1a(ii))	(20,289)	(20,642)	(1.7)	(40,340)	(41,168)	(2.0)
Depreciation and amortisation expenses (Note 1a(v))	(5,317)	(5,769)	(7.8)	(11,110)	(11,410)	(2.6)
Other operating expenses (Note 1a(i))	<u>(17,004)</u>	<u>(19,868)</u>	(14.4)	<u>(35,278)</u>	<u>(39,058)</u>	(9.7)
Profit from operations	10,699	9,722	10.0	19,873	21,502	(7.6)
Finance costs (Note 1a(iii))	<u>(1,263)</u>	<u>(1,381)</u>	(8.5)	<u>(2,552)</u>	<u>(2,952)</u>	(13.6)
Profit before taxation	9,436	8,341	13.1	17,321	18,550	(6.6)
Taxation (Note 1a(v))	<u>(1,243)</u>	<u>(1,301)</u>	(4.4)	<u>(2,835)</u>	<u>(3,179)</u>	(10.9)
Net profit for the period	<u>8,193</u>	<u>7,040</u>	16.4	<u>14,486</u>	<u>15,371</u>	(5.8)
Attributable to:						
Equity holders of the Company	7,970	6,805	17.1	13,911	14,630	(4.9)
Non-controlling interests	223	235	(5.1)	575	741	(22.4)
Net profit for the period	<u>8,193</u>	<u>7,040</u>	16.4	<u>14,486</u>	<u>15,371</u>	(5.8)
Earnings per share						
Basic earnings per share (cents)	1.982	1.692		3.460	3.638	
Diluted earnings per share (cents)	1.982	1.692		3.460	3.638	

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>Second Quarter Ended</u>		<u>Increase/ (Decrease)</u>	<u>First Half Ended</u>		<u>Increase/ (Decrease)</u>
	<u>30/06/2017</u>	<u>30/06/2016</u>		<u>30/06/2017</u>	<u>30/06/2016</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	8,193	7,040	16.4	14,486	15,371	(5.8)
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))	(6,121)	(4,601)	33.0	(13,960)	(13,562)	2.9
Available-for-sale financial assets						
- Fair value loss	(248)	(1,948)	(87.3)	(11)	(5,915)	(99.8)
Cash flow hedges	42	(392)	Nm	(30)	(392)	(92.3)
Other comprehensive loss for the period, net of tax	(6,327)	(6,941)	(8.8)	(14,001)	(19,869)	(29.5)
Total comprehensive income/(loss) for the period	<u>1,866</u>	<u>99</u>	1,784.8	<u>485</u>	<u>(4,498)</u>	Nm
Total comprehensive income/(loss) attributable to: Equity holders of the Company	1,655	(107)	Nm	(78)	(5,201)	(98.5)
Non-controlling interests	211	206	2.4	563	703	(19.9)
Total comprehensive income/(loss) for the period	<u>1,866</u>	<u>99</u>	1,784.8	<u>485</u>	<u>(4,498)</u>	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>Second Quarter Ended</u>		<u>First Half Ended</u>	
	<u>30/06/2017</u>	<u>30/06/2016</u>	<u>30/06/2017</u>	<u>30/06/2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
after crediting (other income including interest income):				
Fair value gain on financial assets, at fair value through profit or loss	232	-	404	-
Interest income	92	95	197	156
Gain on disposal of property, plant and equipment	17	-	12	-
Foreign exchange gain (Note 1a(iv))	-	-	166	-
Fair value gain on investment properties	7,052	8,716	7,052	8,716
after debiting (other operating expenses):				
Fair value loss on financial assets, at fair value through profit or loss	-	63	-	1,038
Loss on disposal of property, plant and equipment	-	34	-	41
Property, plant and equipment written off	139	151	286	291
Foreign exchange loss (Note 1a(iv))	162	441	-	116
Fair value loss on investment properties	-	2,022	-	2,022

Note 1a(ii) Employee benefit costs for the period ended 30 June 2017 decreased due mainly to absence of restructuring cost in the Hotel Division.

Note 1a(iii) Finance costs for the period ended 30 June 2017 decreased mainly due to lower borrowings as compared to the corresponding period ended 30 June 2016.

Note 1a(iv) Foreign exchange loss for the 2nd quarter ended 30 June 2017 was due mainly to depreciation of Tunisian Dinar against the United States Dollar, partially offset by foreign exchange gain from the appreciation of Singapore Dollar against the United States Dollar.

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

	Group		Group	
	Second Quarter Ended		First Half Ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Current taxation charge	1,282	1,411	2,947	3,545
Deferred taxation credit recognised	(28)	(110)	(64)	(366)
Over provision in prior years	(11)	-	(48)	-
	<u>1,243</u>	<u>1,301</u>	<u>2,835</u>	<u>3,179</u>

Note 1a(vi) Currency translation differences on foreign operations was due mainly to appreciation of Singapore Dollar against United States 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	
		30/06/2017	31/12/2016	30/06/2017	31/12/2016
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	A	506,237	500,103	-	-
Property, plant and equipment	B	519,621	518,950	539	620
Subsidiaries		-	-	647,341	621,052
Available-for-sale financial assets	C	3,097	3,108	-	-
Club memberships		131	131	131	131
Intangible assets		4,401	4,339	-	-
Rental lease receivables		366	489	-	-
Long-term prepayments	D	51,424	50,500	-	-
Deferred income tax assets		1,036	1,088	-	-
		<u>1,086,313</u>	<u>1,078,708</u>	<u>648,011</u>	<u>621,803</u>
Current assets					
Inventories		4,359	4,353	-	-
Financial assets, at fair value through profit or loss		5,820	5,415	-	-
Trade and other receivables		26,280	28,833	56	116
Advances to subsidiaries (non-trade)		-	-	16,468	15,155
Cash and cash equivalents	refer to 1(c) G	49,441	94,256	27,495	68,036
		<u>85,900</u>	<u>132,857</u>	<u>44,019</u>	<u>83,307</u>
Non-current assets classified as held for sale		<u>206</u>	<u>225</u>	<u>-</u>	<u>-</u>
Total assets		<u>1,172,419</u>	<u>1,211,790</u>	<u>692,030</u>	<u>705,110</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)	723,530	720,073	55,848	66,551
Other reserves	refer to 1(d)(i)	(86,480)	(72,492)	-	-
		<u>891,189</u>	<u>901,721</u>	<u>309,987</u>	<u>320,690</u>
Non-controlling interests	refer to 1(d)(i)	<u>7,828</u>	<u>7,572</u>	<u>-</u>	<u>-</u>
Total equity		<u>899,017</u>	<u>909,292</u>	<u>309,987</u>	<u>320,690</u>

	Note	Group		Company	
		30/06/2017 S\$'000	31/12/2016 S\$'000	30/06/2017 S\$'000	31/12/2016 S\$'000
Non-current liabilities					
Long-term borrowings and obligations under finance leases - secured	E	144,322	120,415	85,000	60,000
Long-term liabilities		17,137	16,370	-	-
Derivative financial instruments		78	92	-	-
Gratuity on retirement		653	662	-	-
Deferred income tax liabilities		7,201	7,349	-	-
		169,391	144,888	85,000	60,000
Current liabilities					
Trade and other payables	F	34,515	49,636	557	992
Derivative financial instruments		134	89	-	-
Current tax payables		6,791	7,907	91	179
Short-term borrowings and obligations under finance leases - secured	E	62,571	99,978	40,372	77,504
Advances from subsidiaries (non-trade)		-	-	256,023	245,745
	G	104,011	157,610	297,043	324,420
Total equity and liabilities		1,172,419	1,211,790	692,030	705,110

The material variances noted from the statement of financial position items as at 30 June 2017 as compared with those of 31 December 2016 are explained as follows:

- (A) "Investment properties" increased due mainly to fair value gain on investment properties of S\$7.1 million.
- (B) "Property, plant and equipment" increased due mainly to additional development cost for the hotel in Bintan and second hotel in Maldives, partially offset by depreciation charge.
- (C) "Available-for-sale financial assets" decreased due mainly to fair value loss based on market value of quoted equities.
- (D) "Long-term prepayments" increased due mainly to advances paid to contractors for construction of the hotels in Maldives and Bintan.
- (E) Long-term borrowings increased mainly due to re-classification of bank borrowings from Short-term borrowings upon renewal of certain bank borrowings. The decrease in Short-term borrowings was also due to repayments made during 1H2017.
- (F) "Trade and other payables" decreased due mainly to timing of payment and lower purchases for the Property-Rental, Industrial and Hotel Divisions.
- (G) Notwithstanding the Group and the Company having negative working capital as at 30 June 2017, 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 30/06/2017		As At 31/12/2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	62,571	-	99,978	-
Amount repayable after one year	144,322	-	120,415	-

Details of collaterals

The collaterals for the group's secured borrowings as at 30 June 2017 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 June 2017 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>Second Quarter Ended</u>		<u>First Half Ended</u>	
	<u>30/06/2017</u>	<u>30/06/2016</u>	<u>30/06/2017</u>	<u>30/06/2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Cash Flows from Operating Activities				
Profit before taxation	9,436	8,341	17,321	18,550
Adjustments for:				
Depreciation of property, plant and equipment	5,317	5,769	11,110	11,410
Dividend income	(21)	(29)	(35)	(36)
Interest income	(92)	(95)	(197)	(156)
(Gain)/Loss on disposal of property, plant and equipment	(17)	34	(12)	41
Property, plant and equipment written off	139	151	286	291
Fair value (gain)/loss on financial assets at fair value through profit or loss	(232)	63	(404)	1,038
Interest expense	1,263	1,381	2,552	2,952
Replaced components of improvements to investment properties written off	24	25	72	58
Net gain on revaluation of investment properties	(7,052)	(6,694)	(7,052)	(6,694)
Operating profit before working capital changes	8,765	8,946	23,641	27,454
(Increase)/Decrease in inventories	(176)	21	(5)	167
Decrease in operating receivables	4,963	514	2,902	2,587
Decrease in operating payables	(2,308)	(2,020)	(10,036)	(7,414)
Cash generated from operations	11,244	7,461	16,502	22,794
Income tax paid	(3,147)	(2,424)	(4,397)	(3,252)
Net cash generated from operating activities	8,097	5,037	12,105	19,542
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(11,368)	(7,605)	(16,508)	(14,592)
Long-term prepayment	(7,612)	(4,013)	(14,534)	(7,100)
Additions to investment properties	(134)	-	(220)	-
Purchase of investment properties	-	389	-	(15,830)
Proceeds from disposal of property, plant and equipment	20	113	51	131
Investment income				
- Interest received	92	95	197	156
- Dividends received	21	29	35	36
Net cash used in investing activities	(18,981)	(10,992)	(30,979)	(37,199)
Cash Flows from Financing Activities				
Proceeds from bank borrowings	7,162	18,309	15,281	39,563
Repayment of bank borrowings	(1,422)	(8,629)	(27,829)	(21,752)
Payment of finance lease	(3)	(862)	(5)	(1,698)
Interest paid	(1,263)	(1,381)	(2,552)	(2,952)
Dividends paid				
- by the Company to its equity holders	(10,454)	(6,435)	(10,454)	(6,435)
- by subsidiaries to non-controlling interests	(307)	(154)	(307)	(154)
Net cash (used in)/generated from financing activities	(6,287)	848	(25,866)	6,572
Net decrease in cash and cash equivalents	(17,171)	(5,107)	(44,740)	(11,085)
Effect of foreign exchange rate changes	297	(434)	(160)	(96)
Cash and cash equivalents at beginning	66,103	25,112	94,129	30,752
Cash and cash equivalents at end (Note A)	49,229	19,571	49,229	19,571

Note A**Cash and cash equivalents**

	Group	
	Second Quarter & First Half Ended	
	30/06/2017	30/06/2016
	S\$'000	S\$'000
Cash and cash equivalents comprise:		
Cash and bank balances	16,892	13,397
Fixed deposits	32,549	7,165
Less:		
Bank overdrafts	(212)	(991)
	49,229	19,571

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 2017	254,139	720,073	5,730	(178)	(40,255)	(37,607)	(181)	901,721	7,572	909,293
Changes in equity for the period										
Total comprehensive income/(loss) for the period	-	5,941	-	237	(7,839)	-	(72)	(1,733)	352	(1,381)
Balance at 31 March 2017	254,139	726,014	5,730	59	(48,094)	(37,607)	(253)	899,988	7,924	907,912
Changes in equity for the period										
Dividend paid	-	(10,454)	-	-	-	-	-	(10,454)	(307)	(10,761)
Total comprehensive income/(loss) for the period	-	7,970	-	(248)	(6,109)	-	42	1,655	211	1,866
Balance at 30 June 2017	254,139	723,530	5,730	(189)	(54,203)	(37,607)	(211)	891,189	7,828	899,017
Balance at 1 January 2016	254,139	663,867	13,583	24,072	(44,506)	(37,112)	(97)	873,946	6,683	880,629
Changes in equity for the period										
Total comprehensive income/(loss) for the period	-	7,825	-	(3,967)	(8,952)	-	-	(5,094)	497	(4,597)
Balance at 31 March 2016	254,139	671,692	13,583	20,105	(53,458)	(37,112)	(97)	868,852	7,180	876,032
Changes in equity for the period										
Dividend paid	-	(6,435)	-	-	-	-	-	(6,435)	(154)	(6,589)
Total comprehensive income/(loss) for the period	-	6,805	-	(1,948)	(4,572)	-	(392)	(107)	206	99
Change in interest in a subsidiary	-	-	-	-	-	(125)	-	(125)	(38)	(163)
Balance at 30 June 2016	254,139	672,062	13,583	18,157	(58,030)	(37,237)	(489)	862,185	7,194	869,379

**Statement of Changes in Equity
The Company**

	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2017	254,139	66,551	320,690
Changes in equity for the period			
Total comprehensive loss for the period	-	(455)	(455)
Balance at 31 March 2017	254,139	66,096	320,235
Changes in equity for the period			
Dividend paid	-	(10,454)	(10,454)
Total comprehensive profit for the period	-	206	206
Balance at 30 June 2017	254,139	55,848	309,987
Balance at 1 January 2016	254,139	55,194	309,333
Changes in equity for the period			
Total comprehensive loss for the period	-	(1,624)	(1,624)
Balance at 31 March 2016	254,139	53,570	307,709
Changes in equity for the period			
Dividend paid	-	(6,435)	(6,435)
Total comprehensive loss for the period	-	(695)	(695)
Balance at 30 June 2016	254,139	46,440	300,579

- 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 2017 and 31 December 2016. The total number of issued shares as at 30 June 2017 was 402,069,168 (31 December 2016: 402,069,168).

- 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.**

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") relevant to its operations and effective for annual periods beginning on or after 1 January 2017. The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor had 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	
	Second Quarter Ended 30/06/2017	Second Quarter Ended 30/06/2016	First Half Ended 30/06/2017	First Half Ended 30/06/2016
Earnings per ordinary share after deducting any provision for preference dividends:				
Based on weighted average number of ordinary shares in issue (cents)	1.982	1.692	3.460	3.638
On a fully diluted basis (cents)	1.982	1.692	3.460	3.638

As at 30 June 2017, there was no outstanding share options.

The basic and diluted earnings per ordinary share for the second quarter ended 30 June 2017 and 30 June 2016 has been calculated based on the Group's profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares of 402,069,168 and 402,167,668 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	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Net asset value per ordinary share (S\$)	2.22	2.24	0.77	0.80

The net asset values per ordinary share as at 30 June 2017 and 31 December 2016 were calculated based on the number of issued shares (excluding treasury shares) of the Company at those dates of 402,069,168 and 402,069,168 ordinary shares respectively.

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) %
	Second Quarter Ended			First Half Ended		
	30/06/2017 S\$'000	30/06/2016 S\$'000		30/06/2017 S\$'000	30/06/2016 S\$'000	
Property - Rental	6,167	6,991	(11.8)	12,361	13,892	(11.0)
Hotel	25,816	26,067	(1.0)	57,841	60,707	(4.7)
Industrial	17,119	17,539	(2.4)	34,147	35,039	(2.5)
Investment	21	29	(27.6)	35	36	(2.8)
Others	351	229	53.3	651	229	Nm
Total	49,474	50,855	(2.7)	105,036	109,903	(4.4)
Segment result ⁽²⁾	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	Second Quarter Ended			First Half Ended		
	30/06/2017 S\$'000	30/06/2016 S\$'000		30/06/2017 S\$'000	30/06/2016 S\$'000	
Property - Rental	4,521	5,079	(11.0)	8,911	10,022	(11.1)
Hotel	2,545	2,062	23.4	9,873	12,280	(19.6)
Industrial	1,894	2,243	(15.6)	4,598	5,938	(22.6)
Investment	253	(46)	Nm	442	(1,004)	Nm
Property - Development	(1)	(2)	(50.0)	(3)	(4)	(25.0)
Others ⁽¹⁾	(340)	(634)	(46.4)	(87)	(1,170)	(92.6)
Finance costs	8,872	8,702	2.0	23,734	26,062	(8.9)
Depreciation and amortisation expenses	(1,263)	(1,381)	(8.5)	(2,552)	(2,952)	(13.6)
Fair value gain on investment properties	(5,317)	(5,769)	(7.8)	(11,110)	(11,410)	(2.6)
Interest income	7,052	6,694	5.3	7,052	6,694	5.3
	92	95	(3.2)	197	156	26.3
Profit before taxation	9,436	8,341	13.1	17,321	18,550	(6.6)

Nm denotes Not meaningful

¹ Others include Corporate expenses.

² Certain comparative figures have been reclassified to conform with current year's presentation.

SECOND QUARTER 2017 ANNOUNCEMENT

Overall Performance of the Group

The revenue of the Group for the quarter ended 30 June 2017 ('2Q2017') of S\$49.474 million decreased by 2.7% from S\$50.855 million for the quarter ended 30 June 2016 ('2Q2016'). This was due mainly to lower revenue from the Property - Rental, Industrial and Hotel Divisions.

The revenue of the Group for the first half year ended 30 June 2017 ('1H2017') of S\$105.036 million decreased by 4.4% from S\$109.903 million for the first half year ended 30 June 2016 ('1H2016').

Profit before taxation for 2Q2017 of S\$9.436 million increased by 13.1% from 2Q2016 of S\$8.341 million. This was mainly due to higher fair value gain on investment properties and partially offset by lower contribution from the Property - Rental and Industrial Divisions.

Profit before taxation for 1H2017 of S\$17.321 million decreased by 6.6% from 1H2016 of S\$18.550 million.

Property - Rental Division

Revenue for the Property - Rental Division of S\$6.167 million for 2Q2017 decreased by 11.8% from S\$6.991 million for 2Q2016 due mainly to absence of rental income from certain investment properties that were divested in FY2016.

Revenue of S\$12.361 million for 1H2017 decreased by 11.0% from S\$13.892 million for 1H2016.

Accordingly, segment profit of S\$4.521 million for 2Q2017 decreased by 11.0% from S\$5.079 million for 2Q2016.

Segment profit of S\$8.911 million for 1H2017 decreased by 11.1% from S\$10.022 million for 1H2016.

Hotel Division

Revenue for the Hotel Division of S\$25.816 million for 2Q2017 decreased by 1.0% from S\$26.067 million for 2Q2016 due mainly to lower revenue from the hotels in Australia and Singapore, partially offset by higher revenue from the hotels in Mauritius and Zanzibar.

Revenue of S\$57.841 million for 1H2017 decreased by 4.7% from S\$60.707 million for 1H2016.

Segment profit of S\$2.545 million for 2Q2017 increased by 23.4% from S\$2.062 million for 2Q2016 due mainly to higher contribution from hotels in Tunis, Mauritius, Maldives and Zanzibar, partially offset by the lower contribution from the hotels in Australia and Singapore.

Segment profit of S\$9.873 million for 1H2017 decreased by 19.6% from S\$12.280 million for 1H2016 due to lower segment profit in 1Q2017.

Industrial Division

Revenue for the Industrial Division of S\$17.119 million for 2Q2017 decreased by 2.4% from S\$17.539 million for 2Q2016 due mainly to fewer contracts secured.

Revenue of S\$34.147 million for 1H2017 decreased by 2.5% from S\$35.039 million for 1H2016.

Segment profit of S\$1.894 million for 2Q2017 decreased by 15.6% from S\$2.243 million for 2Q2016 mainly due to the lower revenue and government grants.

Segment profit of S\$4.598 million for 1H2017 decreased by 22.6% from S\$5.938 million for 1H2016.

Investment Division

Revenue for the Investment Division of S\$0.021 million for 2Q2017 decreased by 27.6% from S\$0.029 million for 2Q2016 mainly due to the lower dividend income received.

Revenue of S\$0.035 million for 1H2017 decreased by 2.8% from S\$0.036 million for 1H2016.

Segment profit of S\$0.253 million for 2Q2017 as compared to segment loss of S\$0.046 million for 2Q2016 due mainly to the fair value gain of S\$0.232 million from the financial assets, at fair value through profit or loss in 2Q2017.

The Investment Division made a profit of S\$0.442 million for 1H2017 compared to segment loss of S\$1.004 million for 1H2016.

Property - Development Division

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

Statement of Cash Flows

Second Quarter 2017

Net decrease in cash and cash equivalents of S\$17.171 million was due to net cash used in investing activities of S\$18.981 million and net cash used in financing activities of S\$6.287 million, partially offset by cash generated from operating activities of S\$8.097 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 long term prepayment made for the hotel development in Bintan and the second hotel in Maldives.

Net cash used in financing activities was mainly due to payment of dividends partially offset by 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 rental market in Singapore will remain stable with steady occupancy rate.

The market conditions in the countries in which the Hotel Division operates are expected to remain challenging, in particular, softening demand from the leisure and business travellers amid geo-political developments in many places around the world. Construction for the Group's hotel in Bintan and the second hotel in the Maldives are ongoing and barring any unforeseen circumstances, the hotel construction in Bintan is scheduled for operational completion in 1Q2018 and the second hotel in Maldives is scheduled for operational completion in 3Q2018.

The Industrial Division will continue to manage costs and optimise its resources effectively to meet the competitive market conditions.

The Investment Division's performance is expected to be muted because of smaller portfolio size and 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 second quarter ended 30 June 2017.

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

8 August 2017