



BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No. 196900282M
Unaudited Financial Statements for the Year Ended 30 June 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		
	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>Increase/ (Decrease)</u>	<u>30/06/2018</u>	<u>30/06/2017</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	50,033	49,474	1.1	108,949	105,036	3.7
Other income including interest income (Note 1a(i))	321	7,635	(95.8)	3,422	9,611	(64.4)
Changes in inventories of finished goods	42	511	(91.8)	69	270	(74.4)
Materials and consumables used	(3,730)	(4,311)	(13.5)	(8,330)	(8,316)	0.1
Employee benefit costs	(20,276)	(20,289)	(0.1)	(40,924)	(40,340)	1.4
Depreciation and amortisation expenses (Note 1a(ii))	(6,063)	(5,317)	14.0	(11,650)	(11,110)	4.9
Other operating expenses (Note 1a(i))	(19,316)	(17,004)	13.6	(37,824)	(35,278)	7.2
Profit from operations	1,011	10,699	(90.6)	13,712	19,873	(31.0)
Finance costs (Note 1a(iii))	(1,684)	(1,263)	33.3	(3,038)	(2,552)	19.0
(Loss)/profit before taxation	(673)	9,436	Nm	10,674	17,321	(38.4)
Taxation (Note 1a(v))	(773)	(1,243)	(37.8)	(2,607)	(2,835)	(8.0)
Net (loss)/profit for the period	<u>(1,446)</u>	<u>8,193</u>	Nm	<u>8,067</u>	<u>14,486</u>	(44.3)
Attributable to:						
Equity holders of the Company	(1,571)	7,970	Nm	7,658	13,911	(45.0)
Non-controlling interests	125	223	(43.9)	409	575	(28.9)
Net (loss)/profit for the period	<u>(1,446)</u>	<u>8,193</u>	Nm	<u>8,067</u>	<u>14,486</u>	(44.3)
Earnings per share						
Basic earnings per share (cents)	(0.391)	1.982		1.906	3.460	
Diluted earnings per share (cents)	(0.391)	1.982		1.906	3.460	

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>Increase/ (Decrease)</u> %	<u>Group</u>		<u>Increase/ (Decrease)</u> %
	<u>Second Quarter Ended</u>			<u>First Half Ended</u>		
	<u>30/06/2018</u>	<u>30/06/2017</u>		<u>30/06/2018</u>	<u>30/06/2017</u>	
	<u>S\$'000</u>	<u>S\$'000</u>		<u>S\$'000</u>	<u>S\$'000</u>	
Net (loss)/profit for the period	(1,446)	8,193	Nm	8,067	14,486	(44.3)
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))	7,633	(6,121)	Nm	(33)	(13,960)	(99.8)
Financial assets at fair value through other comprehensive income						
- Fair value gain/(loss)	(4,402)	(248)	1,675.0	(551)	(11)	4,909.1
Cash flow hedges						
- Fair value gain/(loss)	60	42	42.9	87	(30)	Nm
Other comprehensive income/(loss) for the period, net of tax	3,291	(6,327)	Nm	(497)	(14,001)	(96.5)
Total comprehensive income for the period	<u>1,845</u>	<u>1,866</u>	(1.1)	<u>7,570</u>	<u>485</u>	1,460.9
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	1,727	1,655	4.4	7,168	(78)	Nm
Non-controlling interests	118	211	(44.1)	402	563	(28.5)
Total comprehensive income for the period	<u>1,845</u>	<u>1,866</u>	(1.1)	<u>7,570</u>	<u>485</u>	1,460.8

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>30/06/2018</u>	<u>30/06/2017</u>	<u>30/06/2018</u>	<u>30/06/2017</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	33	92	45	197
Fair value gain on financial assets, at fair value through profit or loss	-	232	-	404
Gain on disposal of property, plant and equipment	-	17	-	12
Foreign exchange gain (Note 1a(iv))	-	-	-	166
Fair value gain on investment properties	1,911	7,052	1,911	7,052
after debiting (other operating expenses):				
Loss on disposal of property, plant and equipment	62	-	62	-
Property, plant and equipment written off	146	139	287	286
Foreign exchange loss (Note 1a(iv))	2,755	162	842	-

Note 1a(ii) Depreciation and amortisation expenses increased for the period ended 30 June 2018 due mainly to the depreciation charge for the Hotel Division.

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

Note 1a(iv) Foreign exchange loss for the period ended 30 June 2018 was due mainly to depreciation of Singapore Dollar against United States Dollar and depreciation of Tunisian Dinar against Singapore Dollar.

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

	<u>Group</u>		<u>Group</u>	
	<u>Second Quarter Ended</u>		<u>First Half Ended</u>	
	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>30/06/2018</u>	<u>30/06/2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Current taxation charge	1,094	1,282	2,965	2,947
Deferred taxation credit recognised	(326)	(28)	(361)	(64)
Under/(over) provision in prior years	5	(11)	3	(48)
	<u>773</u>	<u>1,243</u>	<u>2,607</u>	<u>2,835</u>

The taxation charge for the second quarter ended 30 June 2018 relates to taxes on profits of certain subsidiaries which cannot be offset against losses of other subsidiaries within the Group.

Note 1a(vi) Currency translation differences on foreign operations was due mainly to depreciation of Singapore Dollar against United States Dollar partially offset by depreciation of Indonesian Rupiah 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.

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30/06/2018</u>	<u>31/12/2017</u>	<u>30/06/2018</u>	<u>31/12/2017</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Non-current assets					
Investment properties	A	540,068	506,218	-	-
Property, plant and equipment	B	588,358	571,003	378	459
Subsidiaries		-	-	714,129	682,604
Financial assets, at fair value through other comprehensive income ("FVOCI")	C	15,806	10,938	-	-
Club membership		21	21	21	21
Intangible assets		10,342	10,739	-	-
Rental lease receivables		132	254	-	-
Long-term prepayments	D	20,725	16,538	-	-
Deferred income tax assets		30	30	-	-
		<u>1,175,482</u>	<u>1,115,741</u>	<u>714,528</u>	<u>683,084</u>
Current assets					
Inventories		4,189	3,928	-	-
Financial assets, at fair value through profit or loss	C	-	5,419	-	-
Trade and other receivables	E	30,259	37,566	59	117
Advances to subsidiaries (non-trade)		-	-	21,374	17,984
Cash and cash equivalents	refer to 1(c)	31,120	28,626	2,588	1,903
	F	<u>65,568</u>	<u>75,539</u>	<u>24,021</u>	<u>20,004</u>
Non-current assets classified as held for sale		189	198	-	-
Total assets		<u>1,241,239</u>	<u>1,191,478</u>	<u>738,549</u>	<u>703,088</u>

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>30/06/2018</u>	<u>31/12/2017</u>	<u>30/06/2018</u>	<u>31/12/2017</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</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)	723,336	722,320	60,186	69,907
Other reserves	refer to 1(d)(i)	(95,066)	(94,576)	-	-
		<u>882,409</u>	<u>881,883</u>	<u>314,325</u>	<u>324,046</u>
Non-controlling interests	refer to 1(d)(i)	8,485	8,237	-	-
Total equity		<u>890,894</u>	<u>890,120</u>	<u>314,325</u>	<u>324,046</u>
Non-current liabilities					
Long-term borrowings and obligations under finance leases - secured	F	130,101	133,616	85,000	85,000
Long-term liabilities		17,162	20,944	-	-
Derivative financial instruments		50	137	-	-
Deferred income tax liabilities		16,835	18,311	-	-
		<u>164,148</u>	<u>173,008</u>	<u>85,000</u>	<u>85,000</u>
Current liabilities					
Trade and other payables		35,465	39,367	794	1,020
Current tax payables		7,137	7,349	86	167
Short-term borrowings and obligations under finance leases - secured	F	143,595	81,634	78,076	46,075
Advances from subsidiaries (non-trade)		-	-	260,268	246,780
	G	<u>186,197</u>	<u>128,350</u>	<u>339,224</u>	<u>294,042</u>
Total equity and liabilities		<u>1,241,239</u>	<u>1,191,478</u>	<u>738,549</u>	<u>703,088</u>

The material variances noted from the statement of financial position items as at 30 June 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) "Property, plant and equipment" increased due mainly to additional development cost for the second hotel in Maldives and the hotel in Douz, Tunisia and inclusion of Property, plant and equipment of a newly acquired subsidiary in 2Q2018.
- (C) "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*.
- (D) "Long-term prepayments" increased due mainly to advances paid to contractors for the construction of second hotel in Maldives and the hotel in Douz, Tunis.
- (E) "Trade and other receivables" decreased due mainly to timing of receipts 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.
- (F) Short-term borrowings increased due mainly to additional bank borrowings for acquisition of investment properties in Perth and for hotel construction.
- (G) Notwithstanding the Group and the Company having negative working capital as at 30 June 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 30/6/2018		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	143,595	-	81,634	-
Amount repayable after one year	130,101	-	133,616	-

Details of collaterals

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

	Group		Group	
	Second Quarter Ended		First Half Ended	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
(Loss)/profit before taxation	(673)	9,436	10,674	17,321
Adjustments for:				
Depreciation of property, plant and equipment	6,063	5,317	11,650	11,110
Dividend income	(24)	(21)	(40)	(35)
Interest income	(33)	(92)	(45)	(197)
Net loss on disposal of property, plant and equipment	62	(17)	62	(12)
Property, plant and equipment written off	146	139	287	286
Net fair value gain on financial assets at fair value through profit or loss	-	(232)	-	(404)
Interest expense	1,684	1,263	3,038	2,552
Replaced components of improvements to investment properties written off	-	24	-	72
Net fair value (gain)/loss on investment properties	(1,911)	(7,052)	(1,911)	(7,052)
Unrealised currency translation (gain)/loss	2,679	726	876	672
Operating profit before working capital changes	7,993	9,491	24,591	24,313
Decrease/(increase) in inventories	12	(85)	(264)	210
Decrease in operating receivables	5,776	5,235	8,408	3,300
Increase/(decrease) in operating payables	270	(2,951)	(7,093)	(11,206)
Cash generated from operations	14,051	11,690	25,642	16,617
Income tax paid	(3,127)	(3,147)	(4,251)	(4,397)
Net cash generated from operating activities	10,924	8,543	21,391	12,220

Consolidated Statement of Cash Flows

	<u>Group</u>		<u>Group</u>	
	<u>Second Quarter Ended</u>		<u>First Half Ended</u>	
	<u>30/06/2018</u>	<u>30/06/2017</u>	<u>30/06/2018</u>	<u>30/06/2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(12,967)	(11,368)	(24,829)	(16,508)
Payment for long-term prepayment	(3,167)	(7,612)	(6,431)	(14,534)
Additions to investment properties	(68)	(134)	(89)	(220)
Purchase of investment properties	(32,391)	-	(32,391)	-
Proceeds from disposal of property, plant and equipment	3	20	40	51
Acquisition of a subsidiary, net of cash acquired (Note B)	(5,555)	-	(5,555)	-
Investment income				
- Interest received	33	92	45	197
- Dividends received	24	21	40	35
Net cash used in investing activities	(54,088)	(18,981)	(69,170)	(30,979)
Cash Flows from Financing Activities				
Proceeds from bank borrowings	53,132	7,162	70,097	15,281
Repayment of bank borrowings	(1,565)	(1,422)	(9,455)	(27,829)
Payment of finance lease	(2)	(3)	(4)	(5)
Repurchase of shares	(212)	-	(212)	-
Interest paid	(1,684)	(1,263)	(3,038)	(2,552)
Dividends paid				
- by the Company to its equity holders	(6,430)	(10,454)	(6,430)	(10,454)
- by subsidiaries to non-controlling interests	(154)	(307)	(154)	(307)
Net cash generated from/(used in) financing activities	43,085	(6,287)	50,804	(25,866)
Net (decrease)/increase in cash and cash equivalents	(79)	(16,725)	3,025	(44,625)
Effect of currency translation of cash and cash equivalents	59	(149)	(94)	(275)
Cash and cash equivalents at beginning	30,990	66,103	28,039	94,129
Cash and cash equivalents at end (Note A)	30,970	49,229	30,970	49,229

Note A

Cash and cash equivalents

Cash and cash equivalents comprise:

Cash and bank balances

Fixed deposits

Less:

Bank overdrafts

	<u>Group</u>	
	<u>Second Quarter & First Half Ended</u>	
	<u>30/06/2018</u>	<u>30/06/2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Cash and bank balances	17,450	16,892
Fixed deposits	13,670	32,549
Less:		
Bank overdrafts	(150)	(212)
	30,970	49,229

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

Current assets

Net assets acquired

Less: cash & cash equivalent acquired

Cash outflow on acquisition

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

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>
Balance at 1 January 2018	254,139	722,320	5,730	973	(63,535)	(37,607)	(137)	881,883	8,237	890,120
Changes in equity for the period										
Profit for the period	-	9,229	-	-	-	-	-	9,229	284	9,513
Other comprehensive income/(loss) for the period	-	-	-	3,851	(7,666)	-	27	(3,788)	-	(3,788)
Balance at 31 March 2018	254,139	731,549	5,730	4,824	(71,201)	(37,607)	(110)	887,324	8,521	895,845
Changes in equity for the period										
Loss for the period	-	(1,571)	-	-	-	-	-	(1,571)	125	(1,446)
Other comprehensive income/(loss) for the period	-	-	-	(4,402)	7,640	-	60	3,298	(7)	3,291
Dividend paid	-	(6,430)	-	-	-	-	-	(6,430)	(154)	(6,584)
Purchase and cancellation of shares	-	(212)	-	-	-	-	-	(212)	-	(212)
Balance at 30 June 2018	254,139	723,336	5,730	422	(63,561)	(37,607)	(50)	882,409	8,485	890,894
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										
Profit for the period	-	5,941	-	-	-	-	-	5,941	352	6,293
Other comprehensive income/(loss) for the period	-	-	-	237	(7,839)	-	(72)	(7,674)	-	(7,674)
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										
Profit for the period	-	7,970	-	-	-	-	-	7,970	223	8,193
Other comprehensive income/(loss) for the period	-	-	-	(248)	(6,109)	-	42	(6,315)	(12)	(6,327)
Dividend paid	-	(10,454)	-	-	-	-	-	(10,454)	(307)	(10,761)
Balance at 30 June 2017	254,139	723,530	5,730	(189)	(54,203)	(37,607)	(211)	891,189	7,828	899,017

The Company

	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2018	254,139	69,907	324,046
Changes in equity for the period			
Total comprehensive income/(loss) for the period	-	(649)	(649)
Balance at 31 March 2018	254,139	69,258	323,397
Changes in equity for the period			
Total comprehensive income/(loss) for the period	-	(2,431)	(2,431)
Dividend paid	-	(6,430)	(6,430)
Purchase and cancellation of shares	-	(212)	(212)
Balance at 30 June 2018	254,139	60,185	314,324
Balance at 1 January 2017	254,139	66,551	320,690
Changes in equity for the period			
Total comprehensive income/(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 income/(loss) for the period	-	206	206
Balance at 30 June 2017	254,139	55,848	309,987

- 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 327,600 (30 June 2017: Nil) ordinary shares.

	30 June 2018	
	Number of issued shares	Amount \$'000
Balance as at 1 April	401,844,568	254,139
Shares cancelled during the period	(327,600)	-
Balance as at 30 June	<u>401,516,968</u>	<u>254,139</u>

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 2018 and 31 December 2017. The total number of issued shares as at 30 June 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:

	As at 31/12/2017 reported under SFRS S\$'000	As at 01/01/2018 reported under SFRS(I) S\$'000
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 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	
	Second Quarter Ended 30/06/2018	Second Quarter Ended 30/06/2017	First Half Ended 30/06/2018	First Half Ended 30/06/2017
Earnings per ordinary share after deducting any provision for preference dividends:				
Based on weighted average number of ordinary shares in issue (cents)	(0.391)	1.982	1.906	3.460
On a fully diluted basis (cents)	(0.391)	1.982	1.906	3.600
Weighted average number of ordinary shares	401,803,010	402,069,168	401,823,674	402,069,168

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

The basic and diluted earnings per ordinary share for the period ended 30 June 2018 and 30 June 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	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Net asset value per ordinary share (S\$)	2.20	2.19	0.78	0.81

The net asset values per ordinary share as at 30 June 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) %
	Second Quarter Ended			First Half Ended		
	30/06/2018 S\$'000	30/06/2017 S\$'000		30/06/2018 S\$'000	30/06/2017 S\$'000	
Property - Rental	6,078	6,167	(1.4)	12,106	12,361	(2.1)
Hotel	26,422	25,816	2.3	61,569	57,841	6.4
Industrial	17,239	17,119	0.7	34,466	34,147	0.9
Investment	24	21	14.3	40	35	14.3
Others	270	351	(23.1)	768	652	17.8
Total	50,033	49,474	1.1	108,949	105,036	3.7
Segment result	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	Second Quarter Ended			First Half Ended		
	30/06/2018 S\$'000	30/06/2017 S\$'000		30/06/2018 S\$'000	30/06/2017 S\$'000	
Property - Rental	4,351	4,521	(3.8)	8,642	8,911	(3.0)
Hotel	1,221	2,545	(52.0)	12,894	9,873	30.6
Industrial	1,562	1,894	(17.5)	3,810	4,598	(17.1)
Investment	19	253	(92.5)	27	442	(93.9)
Property - Development	(2)	(1)	100.0	(3)	(3)	-
Others ⁽¹⁾	(2,021)	(340)	494.4	(1,964)	(87)	2,157.5
Finance costs	5,130	8,872	(42.2)	23,406	23,734	(1.4)
Depreciation and amortisation expenses	(1,684)	(1,263)	33.3	(3,038)	(2,552)	19.0
Fair value gain/(loss) on investment properties ⁽²⁾	(6,063)	(5,317)	14.0	(11,650)	(11,110)	4.9
Interest income	1,911	7,052	(72.9)	1,911	7,052	(72.9)
	33	92	(64.1)	45	197	(77.2)
(Loss)/profit before taxation	(673)	9,436	(107.1)	10,674	17,321	(38.4)

Nm denotes Not meaningful

¹ Others include Corporate expenses and foreign currency translation loss.

² The revaluation of investment properties is performed at mid-year and year-end.

SECOND QUARTER 2018 ANNOUNCEMENT

Overall Performance of the Group

The revenue of the Group for the quarter ended 30 June 2018 ('2Q2018') of S\$50.033 million increased by 1.1% from S\$49.474 million for the quarter ended 30 June 2017 ('2Q2017'). This was due mainly to higher revenue from the Hotel Division.

The revenue of the Group for the first half year ended 30 June 2018 ('1H2018') of S\$108.949 million increased by 3.7% from S\$105.036 million for the first half year ended 30 June 2017 ('1H2017').

Loss before taxation for 2Q2018 was S\$0.673 million as compared to 2Q2017 profit before taxation of S\$9.436 million. This was mainly due to lower fair value gain on investment properties and foreign currency translation loss of S\$2.755 million due to strengthening of United States Dollar. Excluding the foreign currency translation loss, the profit before tax would have been S\$2.082 million.

Profit before taxation for 1H2018 of S\$10.674 million decreased by 38.4% from 1H2017 of S\$17.321 million.

Property - Rental Division

Revenue for the Property - Rental Division of S\$6.078 million for 2Q2018 decreased by 1.4% from S\$6.167 million for 2Q2017.

Revenue of S\$12.106 million for 1H2018 decreased by 2.1% from S\$12.361 million for 1H2017.

Accordingly, segment profit of S\$4.351 million for 2Q2018 decreased by 3.8% from S\$4.521 million for 2Q2017.

Segment profit of S\$8.642 million for 1H2018 decreased by 3.0% from S\$8.911 million for 1H2017.

Hotel Division

Revenue for the Hotel Division of S\$26.422 million for 2Q2018 increased by 2.3% from S\$25.816 million for 2Q2017 due mainly to the revenue generated from the new hotel in Bintan and higher revenue from the hotels in Singapore, Tunis, Mauritius, and Maldives partially offset by lower revenue from the hotels in Australia and Zanzibar.

Revenue of S\$61.569 million for 1H2018 increased by 6.4% from S\$57.841 million for 1H2017.

Segment profit of S\$1.221 million for 2Q2018 decreased by 52.0% from S\$2.545 million for 2Q2017 due to foreign exchange loss of S\$1.419 million mainly arising from the depreciation of Tunisian Dinar against Singapore Dollar and lower contributions from hotels in Mauritius, Singapore, Zanzibar, partially offset by the higher contributions from the hotels in Australia and Maldives. Excluding the foreign currency translation loss, the segment profit would have been S\$2.640 million.

Segment profit of S\$12.894 million for 1H2018 increased by 30.6% from S\$9.873 million for 2Q2017 due to higher segment profit in 1Q2018.

Industrial Division

Revenue for the Industrial Division of S\$17.239 million for 2Q2018 increased by 0.7% from S\$17.119 million for 2Q2017 due mainly to new contracts secured as well as the retention of existing contracts upon renewal.

Revenue of S\$34.466 million for 1H2018 increased by 0.9% from S\$34.147 million for 1H2017.

Segment profit of S\$1.562 million for 2Q2018 decreased by 17.5% from S\$1.894 million for 2Q2017 mainly due to lower government grants and higher operating costs.

Segment profit of S\$3.810 million for 1H2018 decreased by 17.1% from S\$4.598 million for 1H2017.

Investment Division

Revenue for the Investment Division of S\$0.024 million for 2Q2018 increased by 14.3% from S\$0.021 million for 2Q2017 mainly due to higher dividend income received.

Revenue of S\$0.040 million for 1H2018 increased by 14.3% from S\$0.035 million for 1H2017.

Segment profit of S\$0.019 million for 2Q2018 decreased by 92.5% from S\$0.253 million for 2Q2017 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\$0.027 million for 1H2018 decreased by 93.9% from S\$0.442 million for 1H2017.

Property - Development Division

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

Statement of Cash Flows
Second Quarter 2018

Net decrease in cash and cash equivalents of S\$0.079 million was due to net cash used in investing activities of \$54.088 million offset by cash generated from operating activities of S\$10.924 million and net cash from financing activities of S\$43.085 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 investment properties in Australia and purchase of property, plant and equipment for the development of the Group's hotel in Bintan, the second hotel in Maldives and the hotel in Douz, Tunisia and acquisition of a subsidiary in Indonesia.

Net cash from financing activities was mainly due to proceeds from bank borrowings and payment of dividends.

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 amid geo-political developments in many places around the world. The Group's hotel in Bintan has commenced operations on 8 February 2018. Construction for the Group's second hotel in Maldives and the hotel in Douz, Tunisia are ongoing and barring any unforeseen circumstances, the Group's second hotel in Maldives and the hotel in Douz, Tunisia 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 Second quarter ended 30 June 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

8 August 2018