

**BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

Company Registration No. 196900282M

Unaudited Financial Statements for the Period Ended 30 June 2016

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.

	<u>Group</u>			<u>Group</u>		
	<u>Second Quarter Ended</u>	<u>30/06/2015</u>	<u>Increase/</u>	<u>First Half Ended</u>	<u>30/06/2015</u>	<u>Increase/</u>
	<u>30/06/2016</u>	<u>30/06/2015</u>	<u>(Decrease)</u>	<u>30/06/2016</u>	<u>30/06/2015</u>	<u>(Decrease)</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Revenue	50,855	45,073	12.8	109,903	96,021	14.5
Other income including interest income (Note 1a(i))	8,985	32,301	(72.2)	11,719	34,233	(65.8)
Changes in inventories of finished goods (Note 1a(ii))	(13)	(104)	(87.5)	(264)	(378)	(30.1)
Materials and consumables used (Note 1a(ii))	(3,826)	(3,374)	13.4	(8,220)	(7,436)	10.5
Employee benefit costs (Note 1a(iii))	(20,642)	(16,808)	22.8	(41,168)	(33,826)	21.7
Depreciation and amortisation expenses	(5,769)	(4,223)	36.6	(11,410)	(8,619)	32.4
Other operating expenses (Note 1a(i))	<u>(19,868)</u>	<u>(16,289)</u>	22.0	<u>(39,058)</u>	<u>(32,854)</u>	18.9
Profit from operations	9,722	36,576	(73.4)	21,502	47,141	(54.4)
Finance costs (Note 1a(v))	<u>(1,381)</u>	<u>(611)</u>	126.0	<u>(2,952)</u>	<u>(1,171)</u>	152.1
Profit before taxation	8,341	35,965	(76.8)	18,550	45,970	(59.6)
Taxation (Note 1a(vi))	<u>(1,301)</u>	<u>(940)</u>	38.4	<u>(3,179)</u>	<u>(2,701)</u>	17.7
Net profit for the period	<u>7,040</u>	<u>35,025</u>	(79.9)	<u>15,371</u>	<u>43,269</u>	(64.5)
Attributable to:						
Equity holders of the Company	6,805	34,828	(80.5)	14,630	42,686	(65.7)
Non-controlling interests	235	197	19.3	741	583	27.1
Net profit for the period	<u>7,040</u>	<u>35,025</u>	(79.9)	<u>15,371</u>	<u>43,269</u>	(64.5)
Earnings per share						
Basic earnings per share (cents)	1.692	8.660		3.638	10.614	
Diluted earnings per share (cents)	1.692	8.660		3.638	10.614	

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

	Group			Group		
	Second Quarter Ended		Increase/ (Decrease)	First Half Ended		Increase/ (Decrease)
	30/06/2016	30/06/2015		30/06/2016	30/06/2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit for the period	7,040	35,025	(79.9)	15,371	43,269	(64.5)
Other comprehensive income/(expense) :						
Items that may be reclassified subsequently to profit or loss :						
Currency translation adjustments on foreign operations	(4,601)	(9,443)	(51.3)	(13,562)	(5,682)	138.7
Financial assets, available-for-sale	(1,948)	2,829	Nm	(5,915)	6,712	Nm
- Fair value (loss)/gain						
Cash flow hedges	(392)	-	Nm	(392)	-	Nm
Other comprehensive (expense)/income for the period, net of tax	(6,941)	(6,614)	4.9	(19,869)	1,030	Nm
Total comprehensive income/(expense) for the period	99	28,411	(99.7)	(4,498)	44,299	Nm
Total comprehensive income/(expense) attributable to:						
Equity holders of the Company	(107)	28,219	Nm	(5,201)	43,725	Nm
Non-controlling interests	206	192	7.3	703	574	22.5
Total comprehensive income/(expense) for the period	99	28,411	(99.7)	(4,498)	44,299	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:

	Group		Group	
	Second Quarter Ended		First Half Ended	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
after crediting (other income including interest income):				
Interest income	95	127	156	252
Fair value gain on financial assets, at fair value through profit or loss	-	169	-	67
Gain on revaluation of investment properties	8,716	32,059	8,716	32,059
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	12	41	7
Property, plant and equipment written off	151	143	291	282
Foreign exchange loss (Note 1a(iv))	441	365	116	445
Loss on revaluation of investment properties	2,022	-	2,022	-

Note 1a(ii) "Changes in inventories" and "Materials and consumables used" for the second quarter ended 30 June 2016 increased in aggregate due mainly to the corresponding increase in revenue from the Industrial and Hotel Divisions.

Note 1a(iii) Employee benefit costs for the second quarter ended 30 June 2016 increased due mainly to increase in wage related costs for the Hotel and Industrial Divisions and increase in headcount for the Industrial Division.

Note 1a(iv) Foreign exchange loss for the second quarter ended 30 June 2016 was due mainly to the depreciation of Tunisian Dinar against the Singapore Dollar.

Note 1a(v) Finance costs for the second quarter ended 30 June 2016 increased due mainly to higher borrowings.

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

	Group		Group	
	Second Quarter Ended		First Half Ended	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Current taxation charge	1,411	1,284	3,545	3,035
Deferred taxation charge/(reversed) recognised	(110)	65	(366)	75
(Over)/Under provision in prior years	-	(409)	-	(409)
	1,301	940	3,179	2,701

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	
		30/06/2016	31/12/2015	30/06/2016	31/12/2015
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties	A	554,156	547,522	-	-
Property, plant and equipment	B	490,876	483,592	701	783
Subsidiaries		-	-	586,573	550,462
Available-for-sale financial assets	C	38,600	44,516	-	-
Club memberships		131	131	131	131
Intangible assets		8,196	8,151	-	-
Long-term receivables		656	787	-	-
Long-term prepayments		43,715	43,563	-	-
Deferred income tax assets		2,424	2,575	-	-
		1,138,754	1,130,837	587,405	551,376
Current assets					
Inventories		4,083	4,250	-	-
Financial assets, at fair value through profit or loss		3,628	4,666	-	-
Trade and other receivables		28,970	30,869	64	113
Advances to subsidiaries (non-trade)		-	-	25,828	28,855
Cash and bank balances	refer to 1(c) D	20,562	31,182	803	1,712
		57,243	70,967	26,695	30,680
Non-current assets held for sale					
		224	256	-	-
Total assets					
		1,196,221	1,202,060	614,100	582,056
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)	672,062	663,867	46,440	55,194
Other components of equity	refer to 1(d)(i)	(64,016)	(44,060)	-	-
		862,185	873,946	300,579	309,333
Non-controlling interests					
	refer to 1(d)(i)	7,194	6,683	-	-
Total equity					
		869,379	880,629	300,579	309,333
Non-current liabilities					
Long-term borrowings and obligations under finance leases - secured	E	60,415	62,928	-	-
Long-term liabilities		14,331	13,611	-	-
Derivative financial liabilities		302	66	-	-
Gratuity on retirement		559	537	-	-
Deferred income tax liabilities		7,665	8,222	-	-
		83,272	85,364	-	-

	Note	Group		Company	
		30/06/2016 S\$'000	31/12/2015 S\$'000	30/06/2016 S\$'000	31/12/2015 S\$'000
Current liabilities					
Trade and other payables		42,080	50,272	490	922
Derivative financial liabilities		188	31	-	-
Current income tax liabilities		6,651	6,261	51	124
Short-term borrowings and obligations under finance leases - secured	E	194,651	179,503	142,610	118,452
Advances from subsidiaries (non-trade)		-	-	170,370	153,225
	D	<u>243,570</u>	<u>236,067</u>	<u>313,521</u>	<u>272,723</u>
Total equity and liabilities		<u>1,196,221</u>	<u>1,202,060</u>	<u>614,100</u>	<u>582,056</u>

The material variances noted from the statement of financial position items as at 30 June 2016 as compared with those of 31 December 2015 are explained as follows:

- (A) "Investment properties" increased due mainly to the newly acquired commercial properties in Perth, Australia and lower revaluation gains, partially offset by reclassification of one freehold property to property, plant and equipment.
- (B) "Property, plant and equipment" increased due mainly to development cost for the hotel in Bintan and the second hotel in Maldives, reclassification of one freehold property from investment property, partially offset by exchange rate fluctuation.
- (C) "Available-for-sale financial assets" decreased due mainly to fair value loss based on market value of quoted equities.
- (D) Notwithstanding the Group and the Company having negative working capital, the Group and the Company manage the liquidity risk by ensuring there are sufficient cash and marketable securities to meet all normal operating commitments on a timely and cost-effective manner, positive cashflow from operating activities, having adequate amount of credit facilities and the ability to close market positions at short notice.
- (E) "Long-term borrowings - secured" and "Short-term borrowings - secured" increased in aggregate due mainly to additional draw down of bank borrowings for the acquisition of commercial properties in Perth, Australia and the development costs for the hotel in Bintan and the second hotel in the Maldives.
- 1(b)(ii) Aggregate amount of group's borrowings, debt securities and obligations under finance lease

	Group			
	As At 30/6/2016		As At 31/12/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	194,651	-	179,503	-
Amount repayable after one year	60,415	-	62,928	-

Details of collaterals

The collaterals for the group's secured borrowings as at 30 June 2016 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 collaterals for the group's finance lease as at 30 June 2016 are as follows :

- The equipment and vehicles of a local subsidiary
- The 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	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax	8,341	35,965	18,550	45,970
Adjustments for:				
Depreciation of property, plant and equipment	5,769	4,223	11,410	8,619
Dividend income	(29)	(310)	(36)	(327)
Interest income	(95)	(127)	(156)	(252)
Loss on disposal of property, plant and equipment	34	12	41	7
Property, plant and equipment written off	151	143	291	282
Fair value loss/(gain) on financial assets at fair value through profit or loss	63	(169)	1,038	(67)
Interest expense	1,381	611	2,952	1,171
Replaced components of improvements to investment properties written off	25	24	58	76
Gain on revaluation of investment properties	(6,694)	(32,059)	(6,694)	(32,059)
Operating profit before working capital changes	8,946	8,313	27,454	23,420
Decrease in inventories	21	92	167	307
Decrease in operating receivables	514	1,975	2,587	305
Decrease in operating payables	(2,020)	(3,996)	(7,414)	(8,055)
Cash generated from operations	7,461	6,384	22,794	15,977
Income tax paid	(2,424)	(2,369)	(3,252)	(2,895)
Net cash generated from operating activities	5,037	4,015	19,542	13,082
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(7,605)	(5,736)	(14,592)	(7,752)
Payment for long-term prepayment	(4,013)	(7,573)	(7,100)	(9,432)
Purchase of investment properties	389	(1,410)	(15,830)	(1,563)
Purchase of available-for-sale financial assets	-	(334)	-	(858)
Proceeds from sale of financial assets, at fair value through profit or loss	-	-	-	353
Proceeds from disposal of property, plant and equipment	113	56	131	75
Investment income				
- Interest received	95	128	156	252
- Dividends received	29	310	36	327
Net cash used in investing activities	(10,992)	(14,559)	(37,199)	(18,598)
Cash Flows from Financing Activities				
Proceeds from bank borrowings	18,309	14,002	39,563	14,652
Repayment of bank borrowings	(8,629)	(526)	(21,752)	(868)
Payment of finance lease	(862)	(865)	(1,698)	(1,706)
Interest paid	(1,381)	(611)	(2,952)	(1,171)
Dividends paid				
- by the Company to its equity holders	(6,435)	(6,435)	(6,435)	(6,435)
- by subsidiaries to non-controlling interests	(154)	(140)	(154)	(140)
Net cash generated from financing activities	848	5,425	6,572	4,332
Net decrease in cash and cash equivalents	(5,107)	(5,119)	(11,085)	(1,184)
Effect of foreign exchange rate changes	(434)	(937)	(96)	(370)
Cash and cash equivalents at beginning	25,112	27,082	30,752	22,580
Cash and cash equivalents at end (Note A)	19,571	21,026	19,571	21,026

Note A**Cash and cash equivalents**

Cash and cash equivalents comprise:

Cash and bank balances

Fixed deposits

Less:

Bank overdrafts

	Group		Group	
	Second Quarter Ended		First Half Ended	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	13,397	16,437	13,397	16,437
Fixed deposits	7,165	6,719	7,165	6,719
Less:				
Bank overdrafts	(991)	(2,130)	(991)	(2,130)
	<u>19,571</u>	<u>21,026</u>	<u>19,571</u>	<u>21,026</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		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000
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										
Dividend paid	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(expense) for the period	-	7,825	-	(3,967)	(8,952)	-	-	(5,094)	497	(4,597)
Balance at 1 April 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/(expense) 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
Balance at 1 January 2015	254,139	621,459	13,583	7,662	(46,235)	(37,112)	-	813,496	5,654	819,150
Changes in equity for the period										
Total comprehensive income for the period	-	7,858	-	3,883	3,765	-	-	15,506	382	15,888
Balance at 1 April 2015	254,139	629,317	13,583	11,545	(42,470)	(37,112)	-	829,002	6,036	835,038
Changes in equity for the period										
Dividend paid	-	(6,435)	-	-	-	-	-	(6,435)	(140)	(6,575)
Total comprehensive income for the period	-	34,828	-	2,829	(9,438)	-	-	28,219	192	28,411
Balance at 30 June 2015	254,139	657,710	13,583	14,374	(51,908)	(37,112)	-	850,786	6,088	856,874

The Company

	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	254,139	55,194	309,333
Changes in equity for the period			
Dividend paid	-	-	-
Total comprehensive expense for the period	-	(1,624)	(1,624)
Balance at 1 April 2016	254,139	53,570	307,709
Changes in equity for the period			
Dividend paid	-	(6,435)	(6,435)
Total comprehensive income for the period	-	(695)	(695)
Balance at 30 June 2016	254,139	46,440	300,579
Balance at 1 January 2015	254,139	91,106	345,245
Changes in equity for the period			
Total comprehensive expense for the period	-	(931)	(931)
Balance at 1 April 2015	254,139	90,175	344,314
Changes in equity for the period			
Dividend paid	-	(6,435)	(6,435)
Total comprehensive expense for the period	-	1,064	1,064
Balance at 30 June 2015	254,139	84,804	338,943

- 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 year 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 2016 and 31 December 2015. The total number of issued shares as at 30 June 2016 was 402,167,668 (31 December 2015: 402,167,668).

- 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 period beginning on or after 1 January 2016. 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 30/06/2016	Second Quarter Ended 30/06/2015	First Half Ended 30/06/2016	First Half Ended 30/06/2015
Earnings per ordinary share after deducting any provision for preference dividends:				
Based on weighted average number of ordinary shares in issue (cents)	1.692	8.660	3.638	10.614
On a fully diluted basis (cents)	1.692	8.660	3.638	10.614

As at 30 June 2016, there was no outstanding share options.

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	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Net asset value per ordinary share (S\$)	2.14	2.17	0.75	0.77

The net asset values per ordinary share as at 30 June 2016 and 31 December 2015 were calculated based on 402,167,668 ordinary shares.

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		
	30/06/2016 S\$'000	30/06/2015 S\$'000		30/06/2016 S\$'000	30/06/2015 S\$'000	
Property - Rental	6,991	6,013	16.3	13,892	12,571	10.5
Hotel	26,067	22,730	14.7	60,707	51,627	17.6
Industrial	17,539	16,020	9.5	35,039	31,496	11.2
Investment	29	310	(90.6)	36	327	(89.0)
Property - Development	-	-	Nm	-	-	Nm
Others	229	-	Nm	229	-	Nm
Total	50,855	45,073	12.8	109,903	96,021	14.5
Segment Results	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	Second Quarter Ended			First Half Ended		
	30/06/2016 S\$'000	30/06/2015 S\$'000		30/06/2016 S\$'000	30/06/2015 S\$'000	
Property - Rental	4,991	4,154	20.2	9,916	8,755	13.3
Hotel	(2,788)	(1,031)	170.4	2,618	3,167	(17.3)
Industrial	1,483	1,243	19.3	4,407	3,550	24.1
Investment	(46)	469	Nm	(1,004)	377	Nm
Property - Development	(2)	(2)	Nm	(4)	(4)	Nm
Others ¹	(705)	(443)	59.2	(1,281)	(1,015)	26.2
Finance costs	2,933	4,390	(33.2)	14,652	14,830	(1.2)
Gain on revaluation of investment properties ²	(1,381)	(611)	126.0	(2,952)	(1,171)	152.0
Interest income	6,694	32,059	(79.1)	6,694	32,059	(79.1)
	95	127	(25.2)	156	252	(38.1)
Profit before taxation	8,341	35,965	(76.8)	18,550	45,970	(59.6)

Nm denotes Not meaningful

¹ Others include Corporate expenses

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

SECOND QUARTER 2016 ANNOUNCEMENT

Overall Performance of the Group

The revenue of the Group for the quarter ended 30 June 2016 ('2Q2016') of S\$50.855 million increased by 12.8% from S\$45.073 million for the quarter ended 30 June 2015 ('2Q2015'). This was due mainly to higher revenue from the Property - Rental, Hotel and Industrial Divisions, partially offset by lower revenue from the Investment Division.

The revenue of the Group for the first half year ended 30 June 2016 ('1H2016') of S\$109.903 million increased by 14.5% from S\$96.021 million for the first half year ended 30 June 2015 ('1H2015').

Profit before taxation for 2Q2016 of S\$8.341 million decreased by 76.8% from profit before taxation of S\$35.965 million for 2Q2015. This was due mainly to lower revaluation gain on investment properties, lower contributions from the Hotel and Investment Divisions and higher finance cost, partially offset by higher profit from the Property - Rental and Industrial Divisions.

Profit before taxation for 1H2016 of S\$18.550 million decreased by 59.6% from S\$45.970 million for 1H2015.

Excluding the gain on revaluation of investment properties, profit before taxation for 2Q2016 and 1H2016 would have been S\$1.647 million and S\$11.856 million respectively as compared with profit before taxation for 2Q2015 and 1H2015 of S\$3.906 million and S\$13.911 million respectively.

Property- Rental Division

Revenue for the Property - Rental Division of S\$6.991 million for 2Q2016 increased by 16.3% from S\$6.013 million for 2Q2015 due mainly to higher occupancy and rental revenue from the newly acquired commercial properties in Perth, Australia.

Revenue of S\$13.892 million for 1H2016 increased by 10.5% from S\$12.571 million for 1H2015.

Segment profit of S\$4.991 million for 2Q2016 increased by 20.2% from 2Q2015 profit of S\$4.154 million due mainly to higher rental revenue.

Segment profit of S\$9.916 million for 1H2016 increased by 13.3% from S\$8.755 million for 1H2015.

Hotel Division

Revenue for the Hotel Division of S\$26.067 million for 2Q2016 increased by 14.7% from S\$22.730 million for 2Q2015 due mainly to revenue from the hotel, Four Points by Sheraton Perth acquired in October 2015, partially offset by lower revenue from the hotel in Tunis.

Revenue of S\$60.707 million for 1H2016 increased by 17.6% from S\$51.627 million for 1H2015.

Segment loss of S\$2.788 million for 2Q2016 increased by 170.4% from 2Q2015 loss of S\$1.031 million due mainly to increase in wage related costs as a result of downsizing exercise for the hotel in Tunis.

Segment profit of S\$2.618 million for 1H2016 decreased by 17.3% from S\$3.167 million for 1H2015.

Industrial Division

Revenue for the Industrial Division of S\$17.539 million for 2Q2016 increased by 9.5% from S\$16.020 million for 2Q2015 mainly due to rollover effect of existing contracts at higher value and new contracts secured.

Revenue of S\$35.039 million for 1H2016 increased by 11.2% from S\$31.496 million for 1H2015.

Segment profit of S\$1.483 million for 2Q2016 increased by 19.3% from 2Q2015 profit of S\$1.243 million mainly due to the increase in revenue.

Segment profit of S\$4.407 million for 1H2016 increased by 24.1% from S\$3.550 million for 1H2015.

Investment Division

Revenue for the Investment Division of S\$0.029 million for 2Q2016 decreased by 90.6% from S\$0.31 million for 2Q2015 due mainly to decrease in dividend income.

Revenue of S\$0.036 million for 1H2016 decreased by 89.0% from S\$0.327 million for 1H2015.

Segment loss of S\$0.046 million for 2Q2016 compared to segment profit of \$0.469 million for 2Q2015 due mainly to fair value loss on financial assets, at fair value through profit or loss.

Segment loss of S\$1.004 million for 1H2015 compared to segment profit of S\$0.377 million for 1H2015.

Property - Development Division

Since the completion of the villas development project in Tunisia in 2008, the Group has not embarked on any new property development project. Segment loss of S\$0.002 million for 2Q2016 and S\$0.002 million for 2Q2015 were due to general and administrative expenses incurred.

Others

Revenue for the Others Division of S\$0.229 million for 2Q2016 and 1H2016 due to the commencement of operations of a restaurant located at Holland Village, Singapore in May 2016.

Segment loss of S\$0.705 million for 2Q2016 increased by 59.2% from 2Q2015 loss of S\$0.443 million due mainly to pre-opening expenses and operating expenses of the restaurant located at Holland Village, Singapore.

Segment loss of S\$1.281 million for 1H2016 increased by 26.2% from S\$1.015 million for 1H2015.

Statement of Cash Flows

Second Quarter 2016

Net decrease in cash and cash equivalents of S\$5.107 million was due to net cash used in investing activities of S\$10.992 million, partially offset by net cash generated from operating activities of S\$5.037 million and financing activities of S\$0.848 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 the acquisition of commercial properties in Perth, Australia and development costs for the hotel in Bintan and the second hotel in the Maldives.

Net cash generated from financing activities was due to net proceeds from bank borrowings, partially offset by payment of finance leases, interest and 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 markets in Singapore, Tunis and Perth are expected to remain stable in the near term.

The market conditions in the countries in which the Hotel Division operates are expected to remain challenging. Construction has commenced for the Group's hotel in Bintan, the second hotel in the Maldives and the hotel in Douz, Tunisia.

The Industrial Division will continue to be prudent in its cost management and to optimise its resources due to the prevailing competitive market environment in the waste management and contract cleaning industries.

The performance of the Investment Division will continue to be affected by volatility of the various stock markets.

On 1 July 2016, the Company announced that its wholly owned subsidiary, Coop International Pte Ltd, has entered into a sales and purchase agreement with Nanjing Xinjie Kou Department Store Co. Ltd, a company incorporated in The People's Republic of China, to sell 25,935,000 shares in Cordlife Group Limited, a company listed on the Singapore Exchange for a cash consideration of \$43,311,450. In the event that the sale is completed, it will have a positive impact on the Investment Division.

No revenue contribution is expected from the Property Development Division as there is no property development project currently.

The Other Division will contribute to the Group revenue with the commencement of operations of a restaurant located at Holland Village, Singapore in May 2016.

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**

Not applicable.

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 Officer 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

5 August 2016