BONVESTS HOLDINGS LIMITED

ANNUAL REPORT 2016

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CORPORATE PROFILE

Founded in 1982, Bonvests Holdings Limited is listed on the main board of the Singapore Exchange.

The Group, with over 30 years of experience, has established a sound reputation for quality and service in each of its core businesses.

THE GROUP'S 3 CORE BUSINESSES ARE:

In Singapore, Bonvests owns and manages prime commercial properties, including its flagship building, Liat Towers at Orchard Road.

Cenizaro Hotel & Resorts, the hospitality arm of Bonvests, is a leading international property and hospitality company with a portfolio of independent luxury hotel properties in some of the world's most desirable locations. The Residence by Cenizaro resorts are located in Tunis, Mauritius, Zanzibar and Maldives. In addition, the Group's hotel portfolio includes the Sheraton Towers Singapore and Four Points by Sheraton, Perth.

In addition, Bonvests owns a 78.94% stake in SGX Catalist-listed subsidiary, Colex Holdings Limited, one of Singapore's leading waste management and contract cleaning companies.

BOARD OF DIRECTORS & CORPORATE DATA

BOARD OF DIRECTORS

MR HENRY NGO
Chairman and Managing Director

MR GARY XIE GUOJUN
Executive Director

MR ANDY XIE GUOYUAN
Executive Director

MR CHEW HENG CHING
Independent Director

MR TOM YEE LAT SHING
Independent Director

MR YEO WEE KIONG
Independent Director

AUDIT COMMITTEE

MR TOM YEE LAT SHING Chairman
MR CHEW HENG CHING
MR YEO WEE KIONG

NOMINATING COMMITTEE

MR YEO WEE KIONG Chairman
MR HENRY NGO
MR TOM YEE LAT SHING
MR CHEW HENG CHING

REMUNERATION COMMITTEE

MR CHEW HENG CHING Chairman
MR YEO WEE KIONG
MR TOM YEE LAT SHING

REGISTERED OFFICE

541 Orchard Road
#16-00 Liat Towers
Singapore 238881
Telephone: (65) 6732 5533
Facsimile: (65) 6738 3092
Website: www.bonvests.com.sg
Email: InvestorRelations@Bonvests.com.sg
Company Registration No. 196900282M

REGISTRAR

KCK CORPSERVE PTE LTD
333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721

COMPANY SECRETARY

MS FOO SOON SOO

AUDITOR

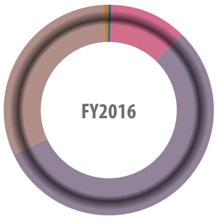
FOO KON TAN LLP
CHARTERED ACCOUNTANTS
24 Raffles Place, #07-03 Clifford Centre,
Singapore 048621
Partner-in-charge: Mr Yeo Boon Chye
(for financial year 2016)

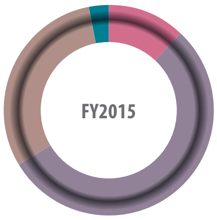
PRINCIPAL BANKERS

OVERSEA-CHINESE BANKING CORPORATION LIMITED, SINGAPORE
DBS BANK LIMITED, SINGAPORE
UNITED OVERSEAS BANK LIMITED, SINGAPORE

FINANCIAL HIGHLIGHTS

SEGMENT REVENUE



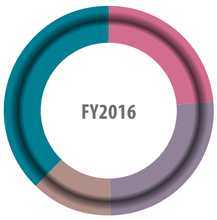


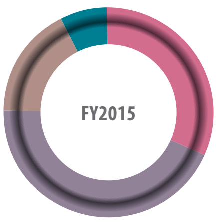
Rental Hotel Industrial Investment Others

GROUP REVENUE BY BUSINESS SEGMENTS

	2016 S$'000	2016 %	2015 S$'000	2015 %
Rental	27,206	12.3%	25,723	12.1%
Hotel	123,593	56.0%	115,709	54.5%
Industrial	68,809	31.2%	65,001	30.6%
Investment	73	0.1%	5,818	2.8%
Others	945	0.4%	-	0.0%
	220,626	100.0%	212,251	100.0%

SEGMENT RESULTS





Rental Hotel Industrial Investment Development Others

GROUP RESULTS BY BUSINESS SEGMENTS

	2016 S$'000	2016 %	2015 S$'000	2015 %
Rental	19,448	24.3%	17,796	33.0%
Hotel	21,595	27.0%	24,603	45.6%
Industrial	10,326	12.9%	9,716	18.0%
Investment	30,852	38.6%	4,111	7.6%
Development	(8)	0.1%	(8)	0.0%
Others	(2,342)	-2.9%	(2,284)	-4.2%
	79,871	100.0%	53,934	100.0%

Segment results is defined as earnings before interest, tax, depreciation and amortisation, and excluding revaluation gain/loss on investment properties and one-off gain/loss such as gain on disposal of investment properties, acquisition cost of subsidiary and impairment recognised. (Refer to page 129 to 133 for details.)

	2016 $'000	2015 $'000	2014 $'000	2013 $'000	Restated 2012 $'000
Revenue	**220,626**	212,251	196,711	183,965	165,024
Profit before Taxation and Non-Controlling Interests	**64,647**	59,250	43,965	63,315	26,143
Profit after Taxation and Non-Controlling Interests	**54,907**	48,843	34,249	56,228	24,576
Profit after Taxation and Non-Controlling Interests and excluding Revaluation Gain/(Loss) on Investment Properties, Deferred Tax, Allowance for Impairment of Property, Plant and Equipment and Goodwill, and Acquisition Costs incurred	**61,474**	21,829	21,641	21,479	16,959
Gross Dividend Per Share (cents)	**2.60**	1.60	1.60	1.50	1.20
Earnings Per Share (cents)	**13.654**	12.144	8.516	13.981	6.111
Net Asset Value Per Share ($)	**2.24**	2.17	2.02	1.98	1.80
Dividend Cover (times)	**5.25**	7.59	5.32	9.32	5.09
Property, Plant and Equipment and Investment Properties	**1,019,053**	1,031,114	895,532	870,845	823,111
Net Current (Liabilities) / Assets	**(24,528)**	(164,844)	(23,241)	(23,337)	(53,496)
Shareholders' Funds	**901,721**	873,946	813,496	794,619	724,382
Non-Controlling Interests	**7,572**	6,683	5,654	5,419	5,047
Short-term Borrowings	**99,978**	179,503	24,731	37,956	63,749
Long-term Borrowings	**120,414**	62,928	97,896	82,619	56,026
Gearing Ratio	**0.20**	0.22	0.13	0.13	0.14
Debt to Equity Ratio	**0.24**	0.28	0.15	0.15	0.16
Return on Shareholders' Funds (%)	**6.2**	5.8	4.3	7.4	3.4

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to report the FY2016 results of the Group.

FINANCIAL AND OPERATING PERFORMANCE

During the year under review, the Group posted profit after taxation and non-controlling interests of $54.907 million in FY2016, which represents an increase of 12.4% as compared to $48.843 million in FY2015. Apart from the contribution from the continuing business operations, the increase was also attributed to divestment activities during the year. The Group recorded a realised gain of $30.087 million from the disposal of available-for-sale financial assets and the gain of $19.373 million from the disposal of investment properties in FY2016, partially offset by the absence of revaluation gain on investment properties compared to a revaluation gain of $42.739 million in FY2015. Excluding revaluation gain/loss on investment properties, deferred tax, allowance for impairment of property, plant and equipment and goodwill, and acquisition costs incurred, profit after taxation and non-controlling interests would have increased 182% to $61.474 million in FY2016 from $21.829 million in FY2015.

The Group's revenue increased by 3.9% to $220.626 million in FY2016 from $212.251 million in FY2015 mainly due to the higher revenue from the Property-Rental, Industrial and Hotel Divisions. These are further elaborated in respective divisions below.

PROPERTY-RENTAL DIVISION

Revenue increased by 5.8% to $27.206 million in FY2016 from $25.723 million in FY2015. The increase was due mainly to higher occupancy rate. Earnings before interest, tax, depreciation and amortisation excluding revaluation gain/loss on investment properties and one-off gain/loss such as gain on disposal of investment properties, acquisition cost of subsidiary and impairment recognised (hereinafter referred to as "segment profit") increased by 9.3% to $19.448 million in FY2016 from $17.796 million in FY2015.

HOTEL DIVISION

Revenue increased by 6.8% to $123.593 million in FY2016 from $115.709 million in FY2015. The increase in revenue is due mainly to the revenue from the newly acquired hotel, Four Points by Sheraton Perth and higher revenue from the hotels in Mauritius and Zanzibar, partially offset by lower revenue from the hotels in Singapore, Maldives and Tunis. Segment profit decreased by 12.2% to $21.595 million in FY2016 from S$24.603 million in FY2015 due mainly to higher operating costs and lower revenue for the hotels in Singapore, Maldives and Tunis, and softening demand from leisure and business travellers amid uncertainty in the global economy.

INDUSTRIAL DIVISION

Revenue for the Industrial Division increased 5.9% to $68.809 million in FY2016 from $65.001 million in FY2015 due mainly to new contracts secured. Segment profit increased by 6.3% to $10.326 million in FY2016 from $9.716 million in FY2015 due mainly to higher revenue.

INVESTMENT DIVISION

Revenue for the Investment Division decreased 98.7% to $0.073 million in FY2016 from $5.818 million in FY2015 due mainly to the lower dividends received. Segment profit increased 650.5% to $30.852 million in FY2016 from $4.111 million in FY2015 due mainly to the gain from disposal of available-for-sale financial assets in FY2016.

PROPERTY-DEVELOPMENT DIVISION

There was no revenue in FY2016. Since the completion of the villas development project in 2008, there has been no new property development project. Segment loss of $0.008 million was due to general and administrative expenses incurred.

EARNINGS PER SHARE

Earnings per share was 13.654 cents in FY2016 as compared with 12.144 cents in FY2015. Net asset value per share increased to $2.24 as at 31 December 2016 from $2.17 as at 31 December 2015.

BUSINESS OUTLOOK

The rental market in Singapore is expected to remain stable with steady occupancy rate. The Group's flagship property, Liat Towers has completed the assets enhancement initiative at the building's retail podium to enhance user's experience and increase vibrancy in the area in FY2016. The segment will continue to generate recurring income for the Group.

The market conditions in the countries in which the Hotel Division operate are expected to remain challenging. Remaining optimistic, the Group will continue to enhance the distinctive aspects of each hotel in Tunis, Mauritius, Zanzibar, Maldives, Singapore and Perth to deliver unique and inspiring experiences to travellers. The Group is constructing new hotels in Bintan and Maldives. Barring any unforeseen circumstances, both hotels are scheduled for completion in FY2017.

The market condition for the Industrial Division is expected to remain competitive. The Group will continue to integrate rigour and innovation in its daily operations to attain high quality standards, building capabilities and developing sustainable strategies in sales and operations.

Performance of the Investment Division will continue to be affected by volatility of the various stock markets amid uncertainty in the global economy.

DIVIDEND

For the financial year ended 31 December 2016, the Board recommends a final dividend of 1.60 cents and a special dividend of 1.00 cent, 1-tier tax exempt per ordinary share (2015: first and final dividend, 1-tier tax exempt, of $1.60 cents per ordinary share). This proposed final and special dividend, if approved at the forthcoming Annual General Meeting to be held in April 2017, will be paid in May 2017.

APPRECIATION

I take this opportunity to express my sincere appreciation to my fellow Board members for their guidance, counsel and dedication.

On behalf of the Board of Directors, I would like to thank our shareholders, customers, suppliers and business associates for their continued support and our dedicated staffs for their hard work and commitment.

HENRY NGO
Chairman and Managing Director
20 March 2017

PROPERTY

BONVESTS HOLDINGS LIMITED

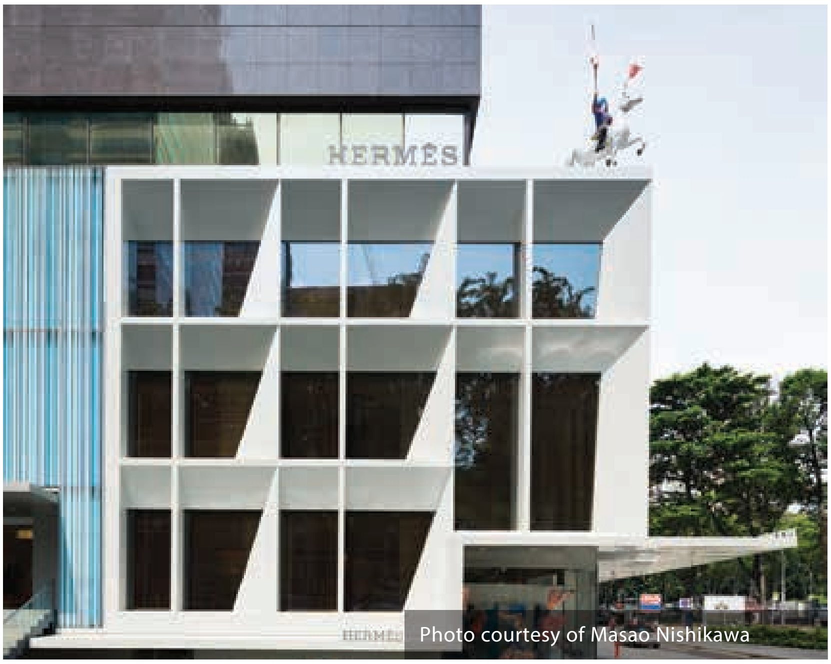


Photo courtesy of Masao Nishikawa

BUILDING FOUNDATIONS OF SUCCESS

A specialist in the leasing and property management arena, Bonvests' expansive commercial real estate portfolio comprises 160,000 sq ft of business-related office and retail space in Singapore, Australia and Tunisia.

Drawing on a consistent commitment and approach to each project in our diverse development portfolio across the spectrum of asset classes; we strive to create the best possible environment for everyone who interacts with our buildings, whether workers, guests or visitors.

The in-depth knowledge of the market and an understanding of the factors affecting potential customers have ensured Bonvests continues to maintain good rental yields. Sound strategic decisions have also ensured occupancy levels are maintained with continued growth.

Singapore

As part of our continued commitment to giving our clients a great experience in our buildings, 2016 marked a distinctive new exterior for our flagship property, Liat Towers, a 21-storey office tower with retail podium.

Home to many well-established companies and embassies, Liat Towers is the key flagship store for some of the most prestigious retail brands including Hermes, Audemars Piguet (the world's largest AP store) as well as the Hong Kong and Shanghai Bank (HSBC) and Singapore's very first Starbucks Café, with Hermes and Starbucks celebrating their 30th and 20th anniversaries respectively in 2016.

The striking façade transformation highlighted by the figure of Hermes' firework-maker on horseback perched on its top floor (a replica of the one perched on the roof at 24 Faubourg Saint-Honoré in Paris, which was created for the brand's 150th anniversary), ushered in a new era of style for Liat Towers.

Strategically located within the prime tourist and shopping belt of Orchard Road, well-connected to public transportation networks; this asset enhancement initiative, apart from elevating the overall shopping experience; redefined its position as one of the most desirable locations for office and retail.

A sought-after address in yet another trendy dining and lifestyle enclave in Singapore, currently tenanted to the Full of Luck Club, a stylish restaurant featuring modern Cantonese classics; the double-storeyed shophouse unit in the popular precinct of Holland Village features over 3,000sqm of shop space.

BONVESTS HOLDINGS LIMITED

Photo courtesy of Audemars Piguet

BUILDING FOUNDATIONS OF SUCCESS

Tunisia

Featuring a spacious, distinctive modern building with arched ceilings, indoor gardens and lots of natural daylight pouring through glass façade atriums; the landmark Gammarth Centre in the heart of Carthage city boasts a diverse yet bespoke mix of stylish and vibrant national and international retailers. Leading brands include anchor tenant Carrefour, iStore, top fashion designer stores featuring brands such as Emporio Armani, Lagerfeld, Tara Jarmon, Faouzia Frad, activewear brands Converse, Geox, Villebrequin, Malboro, GAS and luxury home living Amarante. Looking out into tranquil greenery, with relaxation spaces for the enjoyment of shoppers, Gammarth Centre offers an exclusive blend of quality lifestyle, food and beverage and retail experiences. With over 4,500sqm of retail space, featuring good frontage, this shopping centre enjoys close to 100 per cent tenancy.

Australia

Adding to its overseas property assets portfolio, 2016 increased Bonvests' exposure in the Perth property market with its acquisition of two office buildings in Murray Street precinct. Located within Perth's Central Business District, close to public transport with immediate freeway access in and out of the city, it offers a strategic location directly behind Four Points by Sheraton Perth hotel, within close proximity to the Perth Convention and Exhibition Centre and the city's local attractions and financial centre.

Bonvests has successfully established a well-balanced commercial portfolio through both acquisition and development underpinned by a winning formula of strategic location, quality management and sound tenant relationships. These well-located offices and business spaces are highly sought after and they enjoy consistently high occupancy.

The Group continues to grow by broadening our horizons with the primary objective to seek out niche quality projects/opportunities and develop them with innovation to suit the changing times which when completed offer excellent value for our customers.

Over the years, this dedication and commitment have enabled us to achieve a pattern of steady growth and to build up a strong and experienced management team, well-placed to take advantage of a better environment for business.

HOTEL
THE RESIDENCE TUNIS

THE JEWEL OF THE MEDITERRANEAN

The elegance of Arab-Andalucian architecture combines with exceptional service at The Residence Tunis. Set on a private stretch of beach on the shores of the Mediterranean, just outside the ancient city of Tunis, the hotel is a true North African retreat. Guests are offered tantalising cuisine, with four different restaurants, from Mediterranean cuisine at L'Olivier and Chinese delicacies at Li Bai to traditional Tunisian dishes at El Dar. Keen golfers will be kept happy with the hotel's magnificent par-72 course designed by Robert Trent Jones II – while beginners can head to the Golf Academy de Gammarth to be trained like a pro. A true haven of relaxation, the hotel's magnificent Spa and Thalasso centre offers 3,500sqm for rejuvenating therapies by ESPA, exclusivity in Tunisia and all Africa. There is plenty of time to explore the fascinating city of Tunis, relax by the pool, disappear into the spa and make the most of the hotel's services.

For Leisure or Business

- Discover the compelling Medina of Tunis, a UNESCO World Heritage site, the ruins of Carthage and the 12th century village of Sidi Bou Said
- Explore the orchards of Cap Bon, the vineyards of Mornag and Kelibia, the Ichkeul Lake, Berber potteries
- Architecturally stunning museums, mosques and a host of other archaeological sites – all within close reach of the hotel
- The Spa & Thalasso is widely acknowledged as one of the best thalassotherapy centres in the Mediterranean. Experience a range of services and treatments offered by a dedicated team of specialists who create a truly holistic approach
- Boasting over 1,082sqm of meeting space for small meetings to grand affairs, these versatile venue spaces both within the main hotel and the Golf Club includes 2 ballrooms and 6 well-appointed rooms that can host anything from 15 to 500 delegates

155 spacious rooms, 9 stunning suites, all with private balconies or gardens • 4 seasonal restaurants and 1 bar • An award winning Spa & Thalasso, featuring ESPA • A magnificent golf course.

AWARDS: *2016 Best Golf Club in Tunisia (Golfer's Choice – Leading Courses)*
Consistently ranked top 10 in Tunisia (TripAdvisor's Traveller's Choice for Luxury and Service)

HOTEL
THE RESIDENCE MAURITIUS

THE RESIDENCE
MAURITIUS

by Cenizaro

THE ROMANCE OF THE TROPICS

A lofty reception, open to nature, made exotic with Indian wood carvings and splashes of colour from lush plant-life sets the island tone at The Residence Mauritius. This is a place that combines plenty of colonial charm with contemporary, sophisticated elegance, with an unbeatable setting amid lush tropical gardens along a mile-long white sand beach on the east coast of the island. Foodies will be completely at home here; French-Mauritian and international cuisine (The Dining Room), Creole style seafood on the beach (The Plantation) and light lunches by the pool (The Verandah). Days here are spent relaxing on the beach, dipping in and out of the Indian Ocean and making the most of genuine Mauritian hospitality – all guests can choose to have the luxury of a personal butler to help with anything and everything. This is a hotel with a true sense of fun, brilliant for families and equally romantic for couples.

For Leisure or Business

- Complimentary water-sports including kayaking, windsurfing and sailing
- Unforgettable excursions on the water - deep sea fishing, catamaran cruises, scuba diving – and on land – horse riding, tennis, volleyball, yoga and more…
- Keep the kids happy with The Planter's Kids Club, where no detail is overlooked
- Disappear into the Sanctuary Spa, for pampering treatments from Carita
- Inspired by nature - corporate delegates can make the most of the exceptional facilities and flexible boardroom suite for up to 30 guests

135 spacious guest rooms, 28 suites, each with a private balcony opening onto private tropical gardens or overlooking the peaceful lagoon • 3 restaurants and 1 bar • A sublime Sanctuary Spa.

AWARDS: *2016 Top 3 in Mauritius (Conde Nast Traveller, China, Readers Choice Awards)*
2013 Top 10 for Best Overseas Hotel Spa (Conde Nast Traveller, UK Readers Travel Awards)
Consistently ranked top 10 in Mauritius (TripAdvisor's Traveller's Choice for Luxury, Romance, Service)

HOTEL
THE RESIDENCE ZANZIBAR

THE RESIDENCE
ZANZIBAR

by Cenizaro

ISLAND OF SPICES AND SUNSETS

The most welcoming hospitality of the Swahili people and the beauty of the mystical 'Spice Island' come together at The Residence Zanzibar. The hotel combines an intoxicating mix of elegant sophistication and island charm, set along a coconut palm-fringed white sandy beach within 32 hectares of gardens. Food is an art form here, from an Arab-African feel at The Dining Room and Middle Eastern-Mediterranean feasts at The Pavilion to unforgettable private dining experiences – at sunset or under the stars, on the beach, on the jetty or from the comfort of the villa... There is plenty for everyone without having to stray far – complimentary water-sports, villa bicycles, yoga classes to relax. Equally, Zanzibar is a wonderful, compelling destination – with a true treasure trove of experiences waiting to be discovered – all with a touch of island spice.

For Leisure or Business

- Endless island excursions... on the water, explore the coastline on a sunset Dhow cruise, rise early for a dolphin safari, try scuba diving or be wowed by sea-life on a snorkelling trip
- And on land, spot indigenous Red Colobus monkeys in the Jozani Forest and don't miss a visit to Stone Town, the island's historic capital and a UNESCO World Heritage Site
- Plenty for children, including a bird sanctuary and the hotel's own donkey, for rides on the beach
- An ila spa, in perfect harmony with nature, offers a heavenly sanctuary dedicated to well-being
- For corporate retreats and receptions, make the most of the private meeting and outdoor spaces to strengthen team bonds

66 exquisite villas, each with its own swimming pool, 58 one-bedroom villas, 7 two-bedroom villas, 1 Presidential villa • Two restaurants and one bar.

AWARDS: *2016 Zanzibar's Leading Resort (World Travel Awards)*
2013 Best swimming pool in the world (Conde Nast Traveler, US)
2012 Best International Resort (Conde Nast Traveler, Spain)
Consistently ranked top 10 in Tanzania (TripAdvisor's Traveller's Choice for Luxury, Service and Romance)

HOTEL
THE RESIDENCE MALDIVES

THE RESIDENCE MALDIVES

by Cenizaro

A PARADISE ON EARTH

Endless oceans meet cloudless skies at a beautiful uninterrupted horizon. A true sense of place and faultless attention to detail blend together at The Residence Maldives. Situated on the fringe of one of the deepest atolls in the Maldives, this is a place where unexplored dive sites wait to be discovered and castaway adventures abound. Exquisite beach and water villas offer total tropical tranquillity – a real paradise. This is a place for romantic sunset dinners on the beach, carefree movie nights under the stars, outstanding dining experiences to entice the taste buds and time spent spotting dolphins, turtles and more. With enchanting turquoise waters, unending experiences and the finest service, this is a place to totally succumb to the magic of the Maldives.

For Leisure or Business

- Some of the world's best diving – right on the doorstep – with dramatic reefs, incredible corals and a virtually untouched marine world
- Beginners can learn the ropes at the dive centre; the most experienced divers can spot dolphins, green turtles, parrot fish, eagle and manta rays, and much more...
- Dive by night with incredible fluoro-diving experiences
- Take trips to deserted islands, local villages or go deep-sea fishing
- Plenty for children at the Kids Club – as well as 'Bubblemaker' beginners diving and mini-treatments in the spa
- Disappear to The Spa by Clarins – set out to sea atop a jetty for total seclusion and relaxation
- Expert recreation specialists can tailor-make the perfect corporate retreat, team building event or incentive trip amid white sand beaches, turquoise waters and warm sunshine

94 exquisite beach and water villas, 88 one-bedroom villas inclusive of 4 deluxe villas, 6 two-bedroom villas, 44 villas have private pools • 3 restaurants and 3 bars • The Spa by Clarins • PADI 5 Dive Centre*

AWARDS: *2017 Top 10 in Maldives (DestinAsian Reader's Choice Award)*
2016 Top 13 in Maldives (Conde Nast Traveler, China, Reader's Choice Awards)
2014 Best New Honeymoon Hotel (hitched.com.uk)
2013 Best Overseas Hotel (National Geographic Traveler, China)
2013 Top 20 Best New Spa Worldwide (Conde Nast Traveler, Spain)
2013 35 New Hot Spas (Conde Nast Traveler, US Hot List)

HOTEL
SHERATON TOWERS SINGAPORE

Sheraton
TOWERS SINGAPORE



URBAN RESIDENTIAL CHARM

Centrally located in the city, Sheraton Towers Singapore is only a 10-minute walk from the famed Orchard Road that is flanked with iconic shopping malls and endless dining and entertainment options. The hotel's convenient location next to Newton Interchange train station makes it easily accessible to Singapore's core financial and commercial hub as well as major places of interest. Fully equipped with modern amenities and conveniences, the hotel offers characteristically distinct accommodations – the contemporary style of Deluxe, Executive Business and Sheraton Executive Club Rooms, the idyllic Pool and Cabana Rooms as well as a special collection of premium Suites – individually themed after heritage cities of the world. Every room comes with a complimentary smartphone service for guests to surf the internet and make local calls. Housed within the hotel are award-winning Li Bai Cantonese Restaurant, the newly refurbished Dining Room with plush Italian furnishings and the Lobby Bar that offers a contemporary setting for a refreshing cocktail or leisurely afternoon tea. For discerning business traveller who values eminent service and privacy, the Towers Executive Lounge on level three opens a world of class and comfort.

For Business or Leisure

- Over 13,400 square feet of dedicated function space made up of 17 event venues for private or corporate occasions. A team of dedicated meeting and conference managers ensure the seamless organisation and flawless execution of all events
- A 10-minute walk from the hotel is the world-class shopping district of Orchard Road, the city's most popular retail and entertainment enclave
- Explore the multicultural enclaves and major attractions of Singapore, head to the Central Business District, all easily accessible via the well-connected train lines within a 3-min walk of the hotel
- Enjoy a quiet stroll amid the verdant tropical parklands of Singapore Botanic Gardens, only a short train ride away
- Within close proximity to the Newton Food Centre, a lively local culinary scene of delicious flavours await

420 tastefully appointed guestrooms and suites • 2 restaurants and 1 bar • 13,400 square feet of function space • 24-hour fitness centre • outdoor swimming pool

AWARDS: *2016/2013/2011 Singapore's Best Luxury City Hotel (World Luxury Hotel Awards)*
2014 World's Luxury City Hotel (World Luxury Hotel Awards)
2012 Asian Cuisine Chef of the Year (World Gourmet Summit Awards of Excellence)
Consistently ranked as one of Singapore's top restaurants (Singapore Tatler & Wine & Dine for Li Bai/The Dining Room/DOMVS)

HOTEL
FOUR POINTS BY SHERATON PERTH

FOUR POINTS BY SHERATON

Perth

THE DYNAMIC PULSE OF PERTH

Four Points by Sheraton Perth, a premier address in a lively metropolis; this stylish hotel boasts modern residential comforts for the discerning corporate and leisure traveller alike. Just 30 minutes from the airport, it offers a central CBD location.

Featuring well-furnished rooms and suites inspired by elements of the Western Australian landscape with colours and textures reflecting the relaxed ease and respite of the majestic Silver Gum trees scattered throughout Perth. State-of-the-art facilities, diverse dining options to professional event management and anticipatory service. Whether in Perth for work or just for fun, Four Points is the perfect home away from home.

Sink into the plush comfort of the Four Points signature Four Comfort™ bed, designed by Sealy for a terrific night's sleep. Wake up to a hearty breakfast and freshly brewed coffee in the cheerful surrounds of The Eatery restaurant.

After a full day of meetings, shopping or sightseeing kick back on sun deck at The Best Brew Bar & Kitchen with great local beer with Best Brews™ program and tasty meal showcasing the freshest local Western Australian produce.

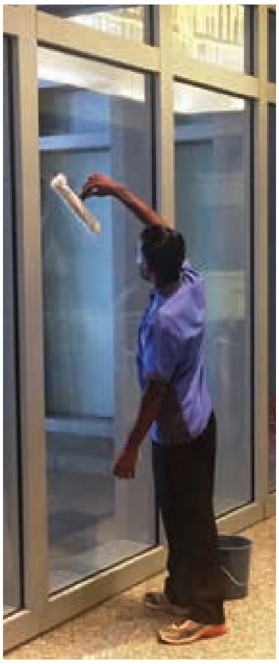
For Business or Leisure

- Space to meet - ensure productive meetings in one of 4 functions spaces with 7 flexible layout options to meet a range of size requirements. The 422sqm of event space includes a Ballroom to easily accommodate up to 50 boardroom, 130 banquet and 250 cocktail style
- Great location - Conveniently located at the west end of the Perth central business district, directly opposite Perth Arena. The Hotel is close to public transport with immediate freeway access in and out of the city
- Step out for great local shopping, sports, nightlife and more. Just minutes from local attractions and financial centre and the Perth Convention and Exhibition Centre
- Burn some energy in the fitness centre or on one of the many walking trails beside the Swan River and Kings Park

271 comfortable guest rooms, 7 spacious suites • 4 meeting rooms • business centre • 24 hour reception • fitness centre • 1 breakfast restaurant • 1 all-day dining restaurant/ bar and free Wi-Fi in the public areas

AWARDS: *2013/2014 Winner & 2015/2016 Finalist in Australian Hotel Association, Western Australia Accommodation Industry Awards for Superior Accommodation*
2014 Winner of Australia Hotel Association, Western Australia, Hotel and Hospitality Awards for Excellence in Environmental Practice

INDUSTRIAL



TOTAL WASTE MANAGEMENT & CONTRACT CLEANING SOLUTIONS

Clean environments form the foundation of green Singapore, a vibrant city to flourish for work, play and social bonding. Providing professional waste collection services is key in supporting the preservation of this pristine environment.

One of Singapore's leading waste management companies, Colex, a 44-year veteran has pioneered many innovative value-added services which include the fully mechanised waste disposal vehicles and portable waste compactors used in the industrial and commercial segments today.

Covering a vast range of business sectors including manufacturing, retail, residential, commercial offices and hospitality, Colex offers comprehensive waste management solutions to the public sector via a dedicated fleet and specialist facilities; handling general domestic waste, glass, dry mixed and other segregated recyclables. A licenced Public Waste Collector (PWC) appointed by the National Environmental Agency (NEA), we manage the Jurong sector.

As a company with a leading position in the waste and recycling industry, we are committed to operating responsibly and ethically at all times with due respect for the environment and sustainability.

Our ISO 9001 Quality Management System, ISO 14001 Environmental Management System and the BizSafe Certification affirm our commitment to business excellence. Our zeal to deliver quality service to ensure customer satisfaction is achieved through our team of dedicated workforce who has been continuously upgrading themselves to keep abreast of the latest technology and trends to better serve our customers.

We have also embarked on many community outreach programs by engaging schools, institutions and private entities on recycling. Recycling programs are being set up with scheduled collection of the recyclables and they are sorted out at our Material Recovery Facilities plant.

Augmenting the maintenance of clean and healthy environments, IPM, which is a part of Colex's cleaning division provides customised cleaning solutions to meet high quality hygiene requirements for commercial (office and retail) and residential buildings. It covers whole building cleaning maintenance such as sweeping, mopping, vacuuming, dusting, refuse disposal, cleaning and disinfecting toilets; a full range of quality contract cleaning services including building facade cleaning are undertaken by a dedicated team of professionally trained and reliable staff who are supervised and regularly monitored by our supervisors and area operations managers.

Incorporated in May 1987, IPM is now a brand name in the cleaning sector. The company has come so far because of the determination of its leaders and staff by always putting customers first in its endeavours to delivering quality services.

IPM is awarded Clean Mark (Silver) by NEA under its enhanced Clean Mark accreditation scheme. The scheme recognises companies that deliver high standards of cleaning through the training of workers, use of equipment to improve work processes, and fair employment practices which include the adoption of Progressive Wage Model (PWM) for the cleaning industry.

ORGANISATIONAL CHART

PROPERTY

RENTAL

- Goldvein Pte Ltd
- Update Investments Pte Ltd
- Goldvista (Perth) Pty Ltd ATF Goldvista (Perth) Trust

DEVELOPMENT

- Cavendish Realty Pte Ltd
- Magnificent Developments Pte Ltd
- Singapore Tunisian Investment Company Immobiliere (held through Singapore Tunisian Investment Company)

HOTEL

- Belle Mare Beach Development Company Limited
- Richvein Pte Ltd
- Singapore Tunisian Investment Company
- Hotel & Property Development (Kendwa) Limited
- Bonaventure (Maldives) Pvt Ltd
- PT. Bintan Vista
- Bonavista (Maldives) Pvt Ltd
- Bonaventure (Perth) Pty Ltd ATF Bonaventure (Perth) Trust

INDUSTRIAL

- Colex Holdings Limited
  – Integrated Property Management Pte Ltd
  – Colex Environmental Pte Ltd

DIRECTORS' PROFILE

HENRY NGO

Mr Ngo is the Executive Chairman/ Managing Director of the Group. He is also the founder of Bonvests Holdings Limited and is responsible for mapping out the corporate and growth strategy of the Group.

Under Mr Ngo's leadership, the Group has developed the property arm and diversified into waste management as well as hotel development and operations overseas.

GARY XIE GUOJUN

Mr Xie joined Bonvests Holdings Limited in 2007 and has been serving as Executive Director since 2010. In his role as Executive Director, Mr Xie is responsible for the group's overall business and financial strategy, investments and operations.

With more than 10 years of combined experience in real estate, hospitality and banking, Mr Xie has held positions in investments, asset management and financial analysis. He was previously with GIC Real Estate, where he was involved in investment and asset management of direct and corporate real estate, including development projects and listed equities. Prior to that, he worked in the Mergers and Acquisitions and Financial Sponsors division of an investment bank in New York.

He received his MBA with high honors from The University of Chicago Booth School of Business. He also holds a Master of Science in Real Estate with distinction and a Bachelor of Science in Business Administration, cum laude. He is a CFA charter holder and a member of the Singapore Institute of Directors.

ANDY XIE GUOYUAN

Mr Xie joined Bonvests Holdings Limited in 2010. He is currently serving as Executive Director and is responsible for the overall operations of the Group.

Prior to joining the Group, he spent 10 years in the United States working for several technology companies. He has spent 5 years working at Cisco Systems, Inc. as an engineer and was involved in development and operations in the Applications Foundation Solutions group. Prior to that, he was a Technology Analyst at National Semiconductor Corporation.

Mr Xie holds a Master of Science in Computer Information Systems from the Robert R. McCormick School of Engineering and Applied Science at Northwestern University in Evanston, Illinois, USA. He also holds a Bachelor of Science in Commerce. He is a member of the Singapore Institute of Directors.

CHEW HENG CHING

Mr Chew is an independent Director of the Company since 1995. He has more than 30 years of senior management experience in the public and private sectors. He is the Founding President of the Singapore Institute of Directors ("SID") and Past Chairman of its Governing Council. He is also a director of various other listed companies. Mr Chew is a Board Member and Past Chairman of the Singapore International Chamber of Commerce. He is an ex-Council Member of the Singapore Business Federation. He is also an ex-Member of Parliament and former Deputy Speaker of the Singapore Parliament.

A Colombo Plan scholar, Mr Chew is a graduate in Industrial Engineering (First Class Honours) and Economics and is a university gold medalist from the University of Newcastle, Australia. He holds an Honorary Doctorate in Engineering from the same university. He is a fellow of SID and CPA Australia.

TOM YEE LAT SHING

Mr Yee is an independent Director and Chairman of the Audit Committee of the Company since 1991. He is a Chartered Accountant and was partner of Ernst & Young, an international public accounting firm, from 1974 to 1989.

He has more than 40 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies in various industries, including insurance, manufacturing and retailing.

Mr Yee is a fellow member of the Singapore Institute of Directors. He also sits on the boards of several listed companies including Cosco Corporation (Singapore) Limited, Pacific Century Regional Developments Limited and Powermatic Data Systems Ltd.

YEO WEE KIONG

Mr Yeo is an independent Director of the Company since 1991. He is an ex-Director of a leading Singapore law firm. Prior to that, he was the managing partner of a law corporation which he founded. He was a former investment banker with a Singapore-based UK merchant bank and a senior industry officer with a government statutory board.

Mr Yeo holds a First Class Honours in Mechanical Engineering and a Masters in Business Administration in addition to his legal qualifications. He graduated with an honours degree in law from the University of London and qualified as a Barrister-at-Law with the Lincoln's Inn in England.

SENIOR EXECUTIVES' PROFILE

DESMOND CHAN KWAN LING

Mr Chan is the Director of Colex Holdings Limited ("Colex") and together with the management team, he is overseeing all key matters of the waste management and recycling division. He is responsible for providing strategic business planning to the operations team and working closely with the Group's subsidiary to carry out the entire Group's financial reporting functions. Mr Chan joined Colex as a General Manager in 1999. He was responsible for overseeing the full spectrum of activities in the waste disposal and recycling operations. His years of experience span across the automotive and transportation industries with Singapore Power Ltd as Head, Transport before joining Colex. He holds a Bachelor of Science (Hons) in Mechanical Engineering and a Master of Science from the University of Birmingham, United Kingdom. He is a Member of the Singapore Institute of Directors.

On 7 September 2012, Mr Chan was appointed as a Director/General Manager of Colex Environmental Pte Ltd, a wholly-owned subsidiary of Colex Holdings Limited.

DING CHEK LEH

Mr Ding is the Director and also General Manager in charge of the day-to-day management of the contract cleaning segment undertaken by Integrated Property Management Pte Ltd ("IPM"), a wholly-owned subsidiary of Colex Holdings Limited. He worked with the Housing Development Board for 3 years as an Estate Officer before joining IPM in July 1987 as its Operations Manager. He was promoted to Senior Operations Manager in April 1989 and subsequently to General Manager in September 1990. Mr Ding holds an honours degree in Bachelor of Engineering from University of Canterbury (New Zealand).

STEVEN LONG

Mr Long has been with the Sheraton Towers Singapore for over 20 years. He joined the hotel as a management trainee in 1988 and progressively assumed various positions of the hotel operations including front office, food and beverage, sales and marketing as well as finance. Mr Long was the Director of Finance and Operations before he was promoted to General Manager of the hotel. Mr Long holds a Master of Business Administration degree from Eastern Michigan University and a Bachelor of Commerce degree with high honours from Carleton University.

MEENAKSHI SUNDARAM

Mr Sundaram has joined The Residence Group in 2011 first as Executive Assistant Manager and subsequently promoted as Resident Manager. He was promoted to the position of General Manager of The Residence Maldives in July 2013. Prior to joining The Residence Maldives, he was working with an International Chain in Maldives & U.K. His hospitality career spans over 25 years with 16 years in Maldives. He holds a Bachelor's Degree in Science, Bachelor's Degree in Library & Information Science, Master's Degree in Tourism, Master's Degree in Hotel Management and an MBA in Tourism & Hotel Management.

DAVID SIERRA

Mr Sierra joined The Residence Tunis as General Manager in July 2010 from the luxury French hotel company, Lucien Barrière Hotel et Casinos. His career with the group, spanning 16 years, included postings at the Hermitage La Baule, Hotel du Lac and Grand Hotel-Enghien Les Bains and most recently Hotel and Ryad Naoura Barrière Marrakech where he held the position of Resident Manager. He has more than 26 years experience in the hotel industry.

JEAN-FRANCOIS CHONG

Mr Chong joined The Residence Mauritius in 2007 as Financial Controller. He was promoted as General Manager in 2014. He is a fellow of the Association of Chartered Certified Accountants. He started his career with De Chazal Du Mee which represented Arthur Andersen, in the business advisory and assurance department where he gained extensive experience in various industries of the economy. Afterwards he moved to the hospitality industry for the last 18 years. He was previously working as Financial Controller at The Hilton Mauritius Spa and Resorts.

ANJA BOSKEN

Anja Bosken joined The Residence Zanzibar in January 2015 as General Manager. She has a 30-year hospitality career holding various executive management positions, namely with the Sun International Hotel Group. Her proven record of operational leadership, strategy development, team building, financial management and customer relationship management resulted in her being awarded General Manager of the Year in 2009 for her outstanding commitment to South African hospitality.

CORPORATE GOVERNANCE STATEMENT

The Company is committed to uphold high standards of corporate governance and transparency to protect shareholders' interest and enhance shareholders' value.

The Company has complied in all material aspects with the principles and guidelines of the Code of Corporate Governance 2012 ("Code") as well as compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual's requirements.

There are other sections in this Annual Report which contain information required by the Code. Hence the Annual Report should be read in totality.

BOARD MATTERS

PRINCIPLE 1

Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guideline 1.1
Board's Role

The Board is collectively responsible for providing the overall strategy and direction to the Management and the Group and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. It establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets, supervises the Management and monitors performance of these goals. Through the Board's leadership, the Group's businesses are able to achieve sustainable and successful performance. The Board is responsible for the overall corporate governance of the Group.

The Board recognises that to ensure business is sustainable, it has to identify the key shareholders' groups and to recognise that their perceptions affect the Company's reputation. The Board sets the Company's values and standards to ensure that obligations to shareholders and other stakeholders are understood and met. The Group also strives to strike a balance between its business needs and the needs of the society and the environment in which the Group operates. In accordance with the listing rules of SGX-ST, the Group will issue its sustainability report by end of 2018.

Guideline 1.2
Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with the Management to take objective decisions in the interest of the Group.

Guideline 1.3
Delegation of Authority to Board Committees

Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), and Remuneration Committee ("RC") have been constituted to assist the Board in the discharge of specific responsibilities without the Board abdicating its responsibility. Please refer to Principles 4 to 5, 7 to 9, 11 and 12 herein for further information on the activities of the NC, RC and AC respectively.

Guideline 1.4
Meetings of Board and Board Committees

The Board meets regularly and as warranted by particular circumstances or as deemed appropriate by the Board members. The Company Secretary is present at such meetings to record the proceedings.

The Company's Constitution allows the Board meetings to be conducted by way of telephonic or video conference meetings.

The attendance of the Directors at meetings of the Board and Board Committees during the year, as well as the frequency of such meetings, is disclosed below:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Henry Ngo	4	4	N.A.	N.A.	1	1	N.A.	N.A.
Tom Yee Lat Shing	4	4	4	4	1	1	1	1
Yeo Wee Kiong	4	4	4	4	1	1	1	1
Chew Heng Ching	4	4	4	4	1	1	1	1
Gary Xie Guojun	4	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Andy Xie Guoyuan[1]	4	4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

1 Andy Xie Guoyuan was appointed as a Director with effect from 1 June 2016. He attended the meetings as invitees prior to his appointment as a Director.

N.A. – Not applicable, as the Directors are non-members of the Board Committees.

Guideline 1.5
Internal Guidelines on Matters Requiring Board Approval

The Board has adopted internal guidelines governing matters that require the Board's approval.

Matters specifically reserved to the Board for its approval are:

(a) interim and year end result announcements;
(b) annual report, financial statements and annual budgets;
(c) convening of shareholder's meetings;
(d) corporate strategies and direction of the Group;
(e) corporate or financial restructuring;
(f) material acquisitions and disposal of assets;
(g) matters involving a conflict of interest for a substantial shareholder or a director; and
(h) share issuances, interim dividends and other returns to shareholders.

Guidelines 1.6 and 1.7
Orientation, briefings, updates and trainings for Directors

Newly appointed Directors will be given an orientation program to familiarise themselves with the Company's operations. A new incoming Director is issued a formal letter of appointment setting out his duties and obligations, and, where appropriate, incorporating processes to deal with possible conflicts of interest that may arise.

Incoming Directors joining the Board will be briefed by the other Directors and the Management on their Directors' duties and obligations and be introduced to the Group's business and governance practice and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive information.

Currently, all Directors keep themselves updated on relevant new laws and regulations through Singapore Institute of Directors and other advisors.

CORPORATE GOVERNANCE STATEMENT

During the financial year reported on, the Directors had received periodic updates on regulatory changes to the Listing Rules, Companies Act and the financial reporting standards from external and internal auditors and professional advisers. Management keeps the Directors up-to-date on pertinent developments in the business including changes to laws and regulations on operational and industry-related matters. The Chairman updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group. Such periodic updates are provided to Directors to facilitate the discharge of their duties. The Directors had also attended appropriate courses, conferences and seminars including programmes run by the Singapore Institute of Directors.

BOARD COMPOSITION AND GUIDANCE
PRINCIPLE 2

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making. The Board is assisted by the Audit Committee, the Nominating Committee and the Remuneration Committee in carrying out and discharging its duties and responsibilities efficiently and effectively. All Committees are each chaired by an Independent Director, with majority of members being non-executive and independent.

Guidelines 2.1 and 2.2
Independent Element of the Board

The Board currently comprises 6 members, 3 of whom are independent and non-executive. Independent Directors make up half the Board, with one of them being a Lead Independent Director.

Guidelines 2.3 and 2.4
Independence of Directors

Mr Chew Heng Ching, Mr Tom Yee Lat Shing and Mr Yeo Wee Kiong have served for more than nine years. Mr Chew Heng Ching will retire by rotation at the forthcoming annual general meeting and be eligible for re-election. All three Independent Directors have confirmed their independence and that they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement. The Board (without the participation of the Independent Directors) has undertaken a rigorous review of their independence. The Board noted that Mr Chew, Mr Yee and Mr Yeo are well qualified retired professionals with many years of experience and who continue to be actively interested and updated in their professional disciplines and keen to contribute their experience to the community. As retired professionals, they have no business and professional conflict of interest. The Board is of the view that they have engaged the Board in constructive discussion; their contributions are relevant and reasoned, and they have exhibited integrity and exercised independent judgement. The Board further recognises that they have over time developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. The Board considers them independent even though they each have served on the Board for more than nine years from the respective dates of their first appointment.

Guidelines 2.5 and 2.6
Composition and Competency of the Board

The composition of the Board is reviewed on an annual basis by the NC, taking into account the scope and nature of the operations of the Group and the requirements of the business, to ensure that the Board is of the appropriate size and has the mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. Collectively as a team, the current Board provides core competencies such as accounting, finance, law, business and management experience as well as industry knowledge.

Key information regarding the Directors and their appointments on various Board Committees are shown on page 40 to page 41 of this Annual Report.

Guideline 2.7

Role of Non-Executive Directors

During the year, the Non-Executive Directors constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors.

Guideline 2.8

Regular Meetings of Non-Executive Directors

During the year, the Non-Executive Directors communicate among themselves without the presence of Management as and when the need arises. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

Guideline 3.1

Separate role of Chairman and Managing Director

Currently, Mr Henry Ngo is both the Managing Director (CEO equivalent) and Chairman of the Board. The roles of Chairman and CEO are clearly established where Chairman manages the business of the Board, whereas, CEO and his team implements the strategy into executive action. In assuming his roles and responsibilities, Mr Henry Ngo consults with the Board, AC, NC and RC on major issues. There is also a strong element on the Board with half the Board made up of Independent Directors and the appointment of a Lead Independent Director. As such, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

Guideline 3.2

Roles and Responsibilities of Chairman

As Chairman, Mr Ngo's responsibilities include:

- leading the Board in its role;
- scheduling of meetings (with assistance from the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- preparing meeting agenda;
- reviewing most board papers before they are presented to the Board;
- ensuring effective communication with shareholders; and
- promoting corporate governance.

Guidelines 3.3 and 3.4

Lead Independent Director

Mr Tom Yee Lat Shing is appointed the Lead Independent Director with effect from 1 June 2016. As Lead Independent Director, he is the principal liaison on Board issues between the Independent Directors and the Chairman. He is available to shareholders where they have concerns in which contact through the normal channels of the Executive Chairman and Executive Directors has failed to resolve or is inappropriate.

The Independent Directors, led by the lead Independent Director, meet amongst themselves without the presence of the other Directors, and the lead Independent Director will provide feedback to the Chairman after such meetings.

BOARD MEMBERSHIP

PRINCIPLE 4

There should be a formal and transparent process for the appointment and re-election of Directors to the Board.

Guideline 4.1
Nominating Committee

The NC comprises the following members, three of whom are independent and non-executive, including the Chairman:–

Mr Yeo Wee Kiong (Chairman)
Mr Chew Heng Ching
Mr Tom Yee Lat Shing
Mr Henry Ngo

The NC is guided by its written terms of reference which prescribes the principal role of the NC including, makes recommendations to the Board on all Board appointments. The NC is charged with the responsibility of re-nomination having regard to each Director's contribution and performance, including, if applicable, as an Independent Director. The NC is also charged with determining annually whether or not a Director is independent.

Guideline 4.2
NC Responsibilities

The NC functions under written terms of reference which sets out its responsibilities as follows:

(a) review of board succession plans for Directors in particular, the Chairman and for the Managing Director;
(b) the development of a process for evaluation of the performance of the Board, its committees and directors;
(c) the review of training and professional development programs for the Board; and
(d) the appointment and re-election of Directors (including Alternate Directors, if applicable)

– *Succession planning*

The NC will review board succession plans for Directors, and will seek to refresh the Board membership in an orderly manner where it deems applicable. The NC will also ensure that the Company has succession planning for its Executive Directors and key management personnel, including appointing, training and mentoring successors. The NC has reviewed contingency arrangements for any unexpected incapacity of the Managing Director or any of the top management personnel and is satisfied with procedures in place to ensure a transition to a full operational management team.

– *Re-election of Directors*

The Company's Constitution provides that one-third of the Directors for the time being (if any) or if their number is not a multiple of 3, then the number nearest to one-third shall retire from office at each general meeting of the Company. Pursuant to the Company's Constitution, Mr Chew Heng Ching, Mr Gary Xie Guojun will retire by rotation pursuant to Article 92 of the Constitution and are eligible for re-election at the forthcoming annual general meeting. Mr Andy Xie Guoyuan was appointed an Executive Director by the Board on 1 June 2016. Under the Constitution of the Company, as a Director appointed by the Board, Mr Andy Xie Guoyuan will be required to retire and be eligible for re-election at the next annual general meeting following his appointment. Accordingly, Mr Andy Xie Guoyuan will retire at the forthcoming AGM and have consented to stand for re-election.

The NC has recommended to the Board, the re-election of Mr Chew Heng Ching, Mr Gary Xie Guojun and Mr Andy Xie Guoyuan. The NC has taken into consideration these Directors' contribution and performance. Mr Chew Heng Ching has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance or re-election/re-appointment as a Director. The Board has accepted the NC's recommendation.

Guideline 4.3
Determining Directors' Independence
Each Director completes a checklist to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned under guidelines 2.3 and 2.4 above.

Guideline 4.4
Multiple Board Representations
The NC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

The NC has considered the multiple directorship of some Directors, as shown on page 40 and 41 of this Annual Report. The NC has also considered the Directors' principal commitments and their contribution to the Board, the NC is satisfied that the Directors spent adequate time on the Company's affairs and have duly discharged their duties.

Guideline 4.5
Alternative Directors
There are currently no Alternative Directors on the Board.

Guideline 4.6
Process for the Selection and Appointment of New Directors
As mentioned in Guideline 2.4, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board is of the appropriate size and has the mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Where there is a resignation or retirement of an existing Director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include among other things, whether the new Director can add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board discussions. Candidates are sourced through a network of contacts and identified based on the established criteria. Search can be made through relevant institutions such as the Singapore Institute of Directors, professional organisations or business federations or external search consultants. New Directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board.

Guideline 4.7
Key Information on Directors
Key information of each member of the Board including directorships and chairmanships in other listed companies, other major appointments, academic/professional qualifications, membership/chairmanship in the Company's Board Committees, date of first appointment and last re-election, etc. can all be found on pages 40 and 41.

CORPORATE GOVERNANCE STATEMENT

BOARD PERFORMANCE

PRINCIPLE 5

There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

Guideline 5.1

Conduct of Board Performance

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and the Board Committees and the contribution of individual Directors to the effectiveness of the Board.

Each year, the Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board and the Board Committees, as well as each individual Director's contributions to the Board and Board Committees. The results of the appraisal exercise were considered by the NC, which then made recommendations to the Board, aimed at helping the Board discharge its duties more effectively.

Guideline 5.2

Performance Criteria for Board Evaluation

The performance criteria for Board evaluation is approved by the Board and focus on Board composition, maintenance of independence, Board information, Board process, Board accountability, communication with Management and standard of conduct. The performance criteria has not changed year on year.

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year and is of the view that the performance of the Board as a whole and its Board Committees have been satisfactory.

Guideline 5.3

Evaluation of Individual Director

The individual Director is assessed on his knowledge of the Group's business and operations, business acumen, knowledge of corporate governance, contribution and engagement, communication and integrity. The Chairman will act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his duties as a Director of the Company. For the current year, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

ACCESS TO INFORMATION

PRINCIPLE 6

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities as Directors.

Guidelines 6.1 and 6.2

Board's Access to Information

Quarterly financial summary reports, budgets and forecasts with explanations for material variances and other disclosure documents are provided to the Board to enable them to be fully cognisant of the decisions and actions of the Company's executive management, where appropriate. Board papers are sent to Directors prior to each Board and Board Committee meeting.

The Directors have separate and independent access to Management.

Guideline 6.3
Board's Access to Company Secretary
Directors have separate and independent access to the Company Secretary. The Company Secretary is present at Board meetings to assist in ensuring that Board procedures as well as applicable rules and regulations are followed.

The Company Secretary's responsibilities include ensuring good information flows within the Board and its committees and between Management and Non-Executive Directors, and assisting the Board in implementing and strengthening corporate governance practices and processes.

Guideline 6.4
Appointment and Removal of Company Secretary
The appointment and removal of the Company Secretary is subject to the approval of the Board.

Guideline 6.5
Board's Access to Independent Professional Advice
Where required, the Board, individual Board Committees and individual Directors would seek independent professional advice.

REMUNERATION MATTERS
PRINCIPLE 7
There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No director should be involved in deciding his own remuneration.

Guidelines 7.1 and 7.2
Remuneration Committee
The RC comprises three members, all of whom are independent and non-executive:–

Mr Chew Heng Ching (Chairman)
Mr Yeo Wee Kiong
Mr Tom Yee Lat Shing

The RC functions under written terms of reference which sets out its responsibilities. The RC recommends to the Board a Directors' fee framework for the Independent Directors who do not receive any other remuneration. The Executive Directors do not receive any Directors' fees.

The RC reviews the specific remuneration packages of each Executive Director and key management personnel. The RC reviews the remuneration of employees who are immediate family members of a Director or the Managing Director to ensure that the remuneration of such employee is commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

During the year, the RC considered and approved the fee framework for Non-Executive Directors and the remuneration packages of the Executive Directors and key management personnel which are submitted and approved by the Board. No member of the RC was involved in deciding his or her own remuneration.

Guideline 7.3
RC's Access to Advice on Remuneration Matters
The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

Guideline 7.4
Service Contract
Each of the Executive Directors and key management personnel have an employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on an ongoing basis and no onerous or over-generous removal clauses are contained in the letter of employment.

LEVEL AND MIX OF REMUNERATION
PRINCIPLE 8
The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

Guideline 8.1
Remuneration of Executive Directors and Key Management Personnel
The Board previously engaged an independent human resource consultancy firm to assist in reviewing the competitiveness of the remuneration packages for the Executive Directors and fees paid to Non-Executive Directors and to make recommendations thereon. Based on the recommendations, the Committee had devised a performance-related remuneration scheme for the Executive Directors. This scheme was subsequently approved by the Board. The scheme is linked to the Company's performance as well as the individual's performance, the performance are largely assessed by the financial performance of the Group as well as their contribution.

In 2012, the Company commissioned Aon Hewitt to undertake a review of Senior Executives' compensation to benchmark the remuneration of the Executive Directors against comparable companies in the industry. The RC is guided by the Aon Hewitt's Senior Executive Compensation Benchmarking Report for the Company in its review of the Executive Directors to ensure that they are not overly or underly compensated.

Key management personnel are paid a fixed monthly salary and variable bonus based on a combination of the Group's performance, their operating unit performance and individual performance.

Guideline 8.2
Long-term Incentive Scheme
Currently, the Company has no long term incentive scheme. The RC has reviewed and is satisfied that the existing remuneration structure for Executive Directors and key management personnel for their fixed and variable components to be paid out in cash would continue to be adequate in incentivising performance without being over-excessive.

Guideline 8.3
Remuneration of Non-Executive Directors
The Board has recommended a fixed fee for Non-Executive Directors, and is of the view that the remuneration of the Directors is appropriate and not excessive, taking into account the effort, time spent and responsibilities of each Non-Executive Director. The RC views that it is not appropriate to implement a scheme to encourage Non-Executive Directors to hold shares in the Company when there is no share incentive scheme for both Executive Directors and management personnel.

The fees of Non-Executive Directors will be subjected to shareholders' approval at the annual general meeting.

Guideline 8.4
Contractual Provisions
The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the operating unit (and not on forward-looking results) as well as individual performance, "claw-back" provisions in the service agreements may not be relevant or appropriate.

DISCLOSURE ON REMUNERATION
PRINCIPLE 9

Every Company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

Guidelines 9.1, 9.2 and 9.3
Remuneration Report
Details on the remuneration of Directors and key management personnel for the year under review are presented in the following tables. During the year, there was no termination, retirement or post-employment benefits granted to any Director or key management personnel.

Directors

	Mix of Remuneration				
	Directors' Fees	Salary	Bonus	Others	Total
$750,000 to $1,000,000					
Henry Ngo	–	62%	38%	–	100%
$500,000 to $750,000					
Gary Xie Guojun	–	44%	56%	–	100%
Below $250,000					
Andy Xie Guoyuan	–	71%	29%	–	100%
Tom Yee Lat Shing	100%	–	–	–	100%
Yeo Wee Kiong	100%	–	–	–	100%
Chew Heng Ching	100%	–	–	–	100%

Directors' remuneration are disclosed on a named basis in bands of S$250,000 each and not fully, in the interest of the Company to maintain confidentiality of its remuneration policies. Mr Henry Ngo is the Managing Director (CEO equivalent) and his remuneration is disclosed above. Mr Ngo does not receive any additional Directors' fees.

Top 5 Management Personnel (who are not Directors)

	Mix of Remuneration			
	Salary	Bonus	Others	Total
$500,000 to $750,000				
Executive 1	44%	53%	3%	100%
$250,000 to below $500,000				
Executive 2	34%	58%	8%	100%
Executive 3	72%	8%	20%	100%
Executive 4	56%	38%	6%	100%
Executive 5	60%	31%	9%	100%

The top 5 key management personnel comprises executives in the Group's subsidiaries in foreign jurisdictions. Under those foreign jurisdictions, there is no requirement for corporations to disclose the detailed remuneration of individual executives. The disclosure in Singapore would affect the confidentiality of their remuneration. The foreign subsidiaries would be put into a position of unequal treatment in governing the confidentiality of their employees' remuneration. Such foreign executives would be disadvantaged unfairly. In addition, given the highly competitive conditions in the local and foreign market place where poaching of executives is not uncommon, it is not in the interest of the Company to disclose the remuneration of individual executives. The Board is of the view that it would be disadvantageous to the Group to detail the remuneration of its top 5 key management personnel.

The aggregate of the total remuneration paid to the top five key management personnel (who are not Director) is $2,045,000.

Guideline 9.4
Employee Related to Directors/Managing Director
Other than Ms Lydia Tjhia and Ms Alexys Tjhia, children of Mr Henry Ngo and siblings of Mr Gary Xie and Mr Andy Xie, whose remuneration are within the bands of $150,000 to $200,000 and below $50,000 respectively, there is no immediate family member of the Directors who is employed in the Group.

Guideline 9.5
Employee Share Scheme
The Company does not have any share option or other share incentive schemes for its employees. The RC has reviewed and is satisfied that the existing remuneration structure management personnel and executives paid out in cash would continue to be adequate in incentivising performance without being over-excessive. For other staff, the general preference is to be paid out in cash.

Guideline 9.6
Link between Remuneration and Performance
The disclosures in Guidelines 8.1 and 8.3 set out the link between remuneration and performance for Executive Directors, key management personnel and Non-Executive Directors.

For the year under review, the RC has reviewed the remuneration of Executive Directors, key management personnel and Non-Executive Directors in accordance with their performance criteria and recommended them to the Board. The Board has endorsed the RC's recommendations.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

Guideline 10.1

Accountability for Company's Performance, Position and Prospects

The Board provides a balanced and meaningful assessment of the Group's financial performance and prospects regularly through financial statements, announcement of results to shareholders and the SGX-ST as well as the Chairman's statement, and review of operations in the annual report. Financial results are released on a quarterly basis to the shareholders through SGXNET and then the Company's website at http://www.bonvests.com.sg.

Guideline 10.2

Compliance with Legislative and Regulatory Requirements

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the SGX-ST. The Company had, pursuant to Listing Rule 720(1), received undertakings from all its Directors and executive officers in the form set out in Appendix 7.7 of Listing Rules to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply.

Guideline 10.3

Management Accounts

Management of the Company provides the Board with balanced and understandable accounts of the Group's performance, financial position and business prospects on a quarterly basis. Such reports compare the Group's actual performance against the approved budget and result of the previous quarter. They also specify major issues that are relevant to the Group's performance.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 11

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Guidelines 11.1 and 11.2

Risk Management and Internal Controls System

The Group recognised the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' interest and the Group's assets. The Group maintains a system of internal controls for all companies within the Group. The controls are to provide reasonable assurance (but not absolute guarantee) that assets are adequately safeguarded, operational and information technology controls are in place, business risks are suitably addressed and proper accounting records are maintained.

With the assistance of the Internal Audit function and through the AC, the Board reviews the adequacy and effectiveness of the key internal controls and risk management on an ongoing basis, provides its perspective on management control and ensures that the necessary corrective actions are taken on a timely basis. There are formal procedures in place for both the internal and external auditors to report independently conclusions and recommendations to Management and to the AC.

CORPORATE GOVERNANCE STATEMENT

The Group's system of internal controls has a key role in the identification and management of risks that are significant to the achievement of its business objectives. The process of business risk management has been integrated throughout the Group into business planning and monitoring process. Management continuously evaluates and monitors the significant risks. The Board reviews the overall risk management process to ensure that there are adequate and effective controls and other processes in place to manage the significant risks identified in accordance with the Group's risk appetite and risk tolerance level.

The significant macro-level risk factors relevant to the Group's operations and the associated mitigating factors are discussed as follows:

- ***Property Division***

Economic or market risks
Such risks may arise from over-supply of office and retail space and lack of demand due to weak economy. We conduct regular environmental scanning and update our marketing intelligence system continuously so that we can respond to such market risks on a timely basis.

Social and political risks
Such risks may result in damages to property arising from riots, sabotage or terrorist attacks. We manage such risks by implementing tight security measures and taking up appropriate insurance policies.

Legal risks
Such risks may arise from defects in the property, plant and equipment that may lead to bodily harm or property losses and hence legal claims arising from tenants and third parties. We address these risks through a comprehensive preventive maintenance program and taking appropriate property insurance and third-party liability insurance.

- ***Hotel Division***

Country risks
Country risks could arise from possible nationalisation of assets by any new and regressive government gaining power in the foreign countries where the Group operates in. Such risks are beyond our control. Further, we remit earnings in these countries back to Singapore as soon as is practicably possible.

Economic, social and political risks
Such risks could arise from over-supply of hotel rooms and lack of demand due to falling tourist arrivals in Singapore, Tunisia, Mauritius, Zanzibar, Maldives and Australia. Local conditions such as political instability, war, riots, sabotage or even terrorist attacks could affect tourist arrivals. We manage these risks through a close monitoring system. Insurance policies are also taken up where appropriate.

- ***Industrial Division***

Economic and market risks
The waste disposal and contract cleaning industry is very competitive with many new players trying to under-bid or under-cut the fee of incumbent service providers in gaining market access or market share. Loss of major contract may severely impact the operations of this division. We address such risks by ensuring that we operate within certain market niches where we have competitive advantages and that our costs are controlled to help us remain competitive.

Risks associated with labour-intensive operations

The lack of local workers willing to take up employment within this industry poses a major challenge to our labour-intensive operations. The employment of foreign workers is subjected to governmental control. The employment costs for the industry are generally on the rise. As we are generally reliant on labour for contractual fulfilment, the ability to attract and retain a pool of manual workers who are capable of performing the services required in a cost-efficient and accident-free manner will be the key to our remaining in the competition.

- ***Corporate Level***

Financial risk

Such risks include interest rate risk, foreign currency risk from foreign currency denominated assets and liabilities as well as foreign investments and credit risk arising from payment default by customers or tenants. We manage such risks mainly by monitoring the rate movements in the financial market closely, hedging the fluctuation risks by the use of the appropriate hedge instruments and putting a formal credit evaluation and collection system in place.

Operational risks that may result in fraud and error

The sheer diversity and scale of our operations subject us to such risks. We address these risks by instituting standards on corporate governance, setting a code on ethical conduct, promoting fraud awareness and control consciousness, implementing proper system of internal controls and maintaining an Internal Audit function.

Guideline 11.3

Board's Comment on Adequacy and Effectiveness of Internal Controls

Based on the risk management process, internal controls maintained, work performed by the internal auditor, statutory audit review undertaken by the external auditors, and the written representation from the CEO and Group Finance Manager, providing assurance on the effectiveness of the Group's risk management and internal control system, and that the financial records have been properly maintained and the financial statements give true and fair view of the Group's operations and finances, the Board is of the view that the Group has a sound system of risk management and internal controls.

The Board, with the concurrence of the Audit Committee, is of the opinion that adequate and effective internal control systems have been in place to address the risk relating to financial, operational, compliance and information technology controls for the year ended 31 December 2016.

Guideline 11.4

Risk Committee

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

AUDIT COMMITTEE

PRINCIPLE 12

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Guideline 12.1

AC Membership

The AC comprises the following members, all of whom are independent and non-executive:
Mr Tom Yee Lat Shing (Chairman)
Mr Yeo Wee Kiong
Mr Chew Heng Ching

The AC Chairman is independent. All the members of the AC are Non-Executive Directors.

Guidelines 12.2 and 12.8

Expertise of AC Members and AC to Keep Abreast of Changes to Accounting Standards

The Chairman of the AC, Mr Tom Yee Lat Shing is a Fellow Member of CPA Australia, Institute of Chartered Accountants in Australia and Institute of Singapore Chartered Accountants. Mr Chew Heng Ching is a Fellow of CPA Australia. Mr Yeo Wee Kiong brings to the AC his extensive legal experience. All the AC members are kept up to date with changes in accounting standards and issues through updates from the external auditors. The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's functions.

Guidelines 12.3 and 12.4

Roles, Responsibilities and Authorities of AC

The AC functions under written terms of reference which sets out its responsibilities. The AC reviewed the financial statements of the Group for the year ended 31 December 2016 as well as the auditor's report thereon and the quarterly, half-yearly and annual results announcements before they are submitted to the Board for approval. The AC also reviewed the interested person transactions of the Group. The AC oversees the administration of the framework for whistleblowing. The AC has oversight of risk management and internal control framework. The services of the Internal Audit function are utilised to assist the AC in the discharge of its duties and responsibilities. The AC also has the authority to carry out any matter within its terms of reference.

The financial statements, accounting policies and system of internal controls are the responsibilities of the Board acting through the AC. In performing its functions set out in Section 201B(5) of the Companies Act, Cap. 50, the AC reviewed the scope of work of both internal and external auditors and the assistance given by the Group's officers to the audits. It met periodically with the Company's internal and external auditors to review their audit plans and discuss the results of their respective examinations and their evaluations of the Group's system of internal controls. The AC Committee always has separate and independent access to the external auditors and the internal auditors.

The AC also reviewed the key audit matters ("KAM") set out in the auditor's report for FY2016 and wishes to provide its perspective on the KAM.

The external auditor has identified two KAMs, namely (1) fair value of investment properties and (2) assessment of impairment indicators of hotel properties, and sets out the work it performs to ensure the accounting in respect of the KAMs are in accordance with accounting standards. The AC has considered the appropriateness of the external auditor's work and findings and concurs with the external auditor.

In accordance with the principles set out in the Code, the AC is satisfied that it:

- has full access to and cooperation from Management as well as discretion to invite any director, executive or otherwise, to attend its meetings;
- has been given reasonable resources to enable it to complete its functions properly; and
- has reviewed findings and evaluations of the system of internal controls with internal and external auditors.

The AC is satisfied with the assistance given by the Group's officers to the audit functions.

Guideline 12.5
Meeting with External and Internal Auditors without Presence of Management
During the year, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. They also met separately with the AC without the presence of Management.

Guideline 12.6
Independence of External Auditors
The Company confirms compliance with Rule 712 of the Listing Manual in engaging Foo Kon Tan LLP ("FKT"), as the external auditor of the Company for FY2016 which is registered with the Accounting and Corporate Regulatory Authority. FKT is the external auditor of the Company and of its Singapore subsidiaries (except Richvein Pte Ltd). The Company engages Ernst & Young LLP as the auditor of Richvein Pte Ltd and other suitable audit firms for its foreign subsidiaries for FY2016. Pursuant to Rule 716 of the Listing Manual, the Board and AC are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Company. The AC has reviewed the amount of non-audit services rendered to the Group by the external auditors. During the year, the fees paid to the external auditors of the Company for non-audit services amounted to $22,000 or 6% of the audit fee.

For the audit of FY2017, the AC reviewed proposals from several reputable audit firms (including the incumbent auditor). The AC reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration factors such as the adequacy of the resources and experience of the audit firm to be selected, and the audit engagement partner to be assigned to the audit, as well as the size and complexity of the Company and its subsidiaries. The AC nominated PricewaterhouseCoopers LLP ("PWC") as the Company's auditor for FY2017 in place of FKT, for shareholders' approval at the forthcoming annual general meeting. The AC also nominates PWC as the auditor for the Singapore subsidiaries (except Richvein Pte Ltd which continues to be audited by Ernst & Young LLP). The Company continues to engage other suitable audit firms as the auditor for its foreign subsidiaries for FY2017. PWC expressed their willingness to accept the appointment.

The Company has complied with Rules 712 and 716 of the Listing Manual in relation to the engagement of PWC as its auditor for FY2017.

Guideline 12.7
Whistle-blowing Policy
The Company has in place a whistle-blowing framework for staff to raise concerns about improprieties in confidence in matters of financial reporting or other matters. The AC oversees the administration of the framework and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. Such concerns raised will be independently investigated and appropriate follow-up action taken.

Guideline 12.8
AC to keep Abreast of Changes to Accounting Standards

The AC is kept abreast by the Management, external and internal auditors on the changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Guideline 12.9
Partners or Directors of the Company's Auditing Firm

No former partner or Director of the Company's existing auditing firm or auditing corporation is a member of the AC.

INTERNAL AUDIT
PRINCIPLE 13

The Company should establish an internal effective audit function that is adequately resourced and independent of the activities it audits.

Guidelines 13.1 and 13.2
Internal Auditors

The internal auditors ("IA") support the AC in reviewing the adequacy and effectiveness of the Company's risk management and internal control system. IA reports directly to the Chairman of the Audit Committee on all internal audit matters and administratively to the CEO. The IA has unfettered access to all the company's documents, records, properties and personnel, including unrestricted direct access to the AC. IA plans its internal audit schedules in consultation with, but independently of, management and its internal audit plan is submitted to the AC for approval at the beginning of each year.

Other audit professionals are engaged from time to time to complement the work of the existing IA team in overseas assignments where language would be a barrier.

Guidelines 13.3 and 13.4
Internal Audit Function

The Company's internal audit function is outsourced to one of the Big 4 Certified Public Accounting Firms. The Internal Auditor is a corporate member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience. The internal audit follows the professional standards set by the Institute of Internal Auditors. The AC is satisfied that the internal audit function is adequately resourced to carry out its function.

Guideline 13.5
Adequacy and Effectiveness of Internal Audit Function

The AC reviews the adequacy of the internal audit function to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation to enable the IA to perform its function. The AC also reviews the IA's reports and remedial actions implemented by Management to address any internal control inadequacies identified.

SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Guideline 14.1
Sufficient Information to Shareholders

The Board strives to ensure that timely disclosure is made regarding all material business matters affecting the Group so as to maintain a high level of transparency. All announcements by the Company are made through SGXNET.

The Group also maintains a website at http://www.bonvests.com.sg at which shareholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group.

Guideline 14.2
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

Every shareholder has the right to receive notice of general meetings and to vote thereat. Notice of a general meeting is sent out at least 14 days before the meeting so that sufficient notice of meeting is given to shareholders to attend the meeting or appoint proxies to attend and vote in their stead.

At the annual general meeting, shareholders are given the opportunities to express their views and ask the Board and management questions regarding the operations of the Company. All resolutions at general meetings are required to be voted by poll under the Listing Rules of the SGX-ST. Shareholders will be briefed by the Company on the poll voting procedures at general meetings. The Directors, including the chairpersons of each of the Board Committees are available at the meetings to address shareholders' queries. The external auditor shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Guideline 14.3
Proxies for Nominee Companies

The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries which include CPF Approved Nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies.

COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 15

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guidelines 15.1 to 15.4
Timely information to and engagement with shareholders

The Company's investor relation policy is to communicate with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET. Financial results of the Group are released within 45 days from the end of each quarter and within 60 days from the financial year end. In addition, Annual Reports are distributed to shareholders at least 14 days before each annual general meeting.

In accordance with the Listing Rules of the SGX-ST, the Board's policy is that all shareholders be informed on a timely basis of all major developments that impact the Group. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

The Company's annual general meeting is a forum for the shareholders to engage the Board to ask questions on the resolutions tabled at the annual general meeting and to express their views.

The Company does not engage an investor relations consultant. The Company will consider the use of other forums as set out in Guideline 15.4 of the Code such as analyst briefings as and when applicable.

Guideline 15.5
Dividend
For FY2016, the Board has proposed a final dividend of 1.60 Singapore cents per share and a special dividend of 1.00 Singapore cent per share at the forthcoming annual general meeting for shareholders' approval. Details of the proposed dividend are stated in the notice of the annual general meeting attached to this annual report. The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected capital expenditure and investments in proposing a dividend.

CONDUCT OF SHAREHOLDER MEETINGS
PRINCIPLE 16
Companies should encourage greater shareholders' participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

Guideline 16.1
Effective Shareholders' Participation
All resolutions at the forthcoming AGM would be put to vote by poll. This will allow greater transparency and more equitable participation by shareholders.

Voting in absentia and by email, which are currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

Guideline 16.2
Separate Resolutions at General Meetings
The Company will have separate resolutions at general meetings on each distinct issue.

Guideline 16.3
Attendance of Chairman of the Board and Board Committees at General Meetings
The Directors, including the chairpersons of each of the Board Committees are available at the meetings to address shareholders' queries. The external auditor shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Guideline 16.4
Minutes of General Meetings
The minutes of the general meetings are taken and are available to shareholders for their inspection upon request.

Guideline 16.5
Results of resolutions by poll
All resolutions at general meetings are put to vote by electronic poll. Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be read out to shareholders immediately after vote tabulations. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET.

OTHER CORPORATE GOVERNANCE MATTERS

Dealing in Securities

In line with SGX-ST Listing Rule 1207(19) on Dealings in Securities, the Company issues circulars to its Directors and employees to remind them that: (1) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (2) they are required to report on their dealings in shares of the Company. The officers are also reminded of the prohibition in dealings in shares of the Company two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of its full year financial statements ("restricted trading periods"). The restriction in Dealings in Securities is also extended to employees of the Company.

The Company confirms it has complied with the best practice pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the restricted trading periods.

Interested Person Transactions

The Group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and reviewed by the AC. The details of the interested person transactions conducted during the year are disclosed as follows:

Interested person	Type of transactions	Aggregate Value of all Transactions (excluding transactions less than S$100,000)*
Henry Ngo	Receipt of cleaning, waste disposal services from Group's subsidiary companies	$230,548
Henry Ngo	Receipt of management services from Group's subsidiary companies	$286,475

* The Company does not have a general mandate for shareholders for recurring interested person transactions.

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Director (including the Managing Director), or substantial shareholder.

The Board is satisfied with the Group's commitment to compliance with the Code of Corporate Governance.

Name of Directors	Academic/Professional Qualifications/Affiliations	Board Appointment Executive/Non-Executive	Date Last Elected/ Re-Appointed
Henry Ngo	Higher School Certificate	Chairman and Managing Director	26 April 2016
Gary Xie Guojun	Bachelor of Science in Business Administration, Cum Laude Master of Science in Real Estate with Distinction Master of Business Administration with High Honors CFA Charter Holder Ordinary Member, Singapore Institute of Directors	Executive Director	29 April 2015
Andy Xie Guoyuan	Bachelor of Science in Commerce Master of Science in Computer Information Systems Ordinary Member, Singapore Institute of Directors	Executive Director	1 June 2016
Tom Yee Lat Shing	Fellow Member, CPA Australia Fellow Member, Institute of Chartered Accountants in Australia Fellow Member, Institute of Singapore Chartered Accountants Associate Member, Institute of Chartered Secretaries and Administrators Fellow Member, Singapore Institute of Directors	Independent Non-Executive	26 April 2016
Yeo Wee Kiong	1st Class Honours Degree in Mechanical Engineering Masters Degree in Business Administration LLB (Honours)	Independent Non-Executive	26 April 2016
Chew Heng Ching	Degrees in Industrial Engineering (1st Class Honours) and Economics PhD in Engineering (Honorary) Fellow, Singapore Institute of Directors Fellow, CPA Australia	Independent Non-Executive	29 April 2015

Board Committee As Chairman or Member	Date First Appointed	Directorships/Chairmanships listed in Singapore (Present & Held Over Preceding 3 Years) & Major Appointments
Member: Nominating Member: ESOS	18.03.2002 26.06.2000	**Listed Company** (1) Colex Holdings Limited
NA	1 June 2010	NA
NA	1 June 2016	NA
Chairman: Audit Committee Member: Nominating Member: Remuneration Member: ESOS	30.09.1991 18.03.2002 26.02.2007 26.06.2000	**Listed Company** (1) Cosco Corporation (Singapore) Limited (2) Pacific Century Regional Developments Limited (3) Powermatic Data Systems Ltd
Member: Audit Committee Chairman: Nominating Member: Remuneration Member: ESOS	25.03.1997 26.02.2007 26.02.2007 26.06.2000	**Listed Company** (1) AF Global Limited (2) Kian Ho Bearings Ltd (Past) **Major Appointment** Council Member, Singapore Institute of Directors (2009 – 2012)
Member: Audit Committee Member: Nominating Chairman: Remuneration Member: ESOS	18.05.1995 26.02.2007 26.02.2007 26.06.2000	**Listed Company** (1) Huan Hsin Holdings Ltd (2) Ausgroup Limited (3) Pharmesis International Ltd (4) Spindex Industries Limited (5) Sinopipe Holdings Limited (6) Stratech Systems Ltd (7) Chosen Holdings Limited (Past) **Major Appointments** Member of Parliament (1984 – 2006) Deputy Speaker, Parliament of Singapore (2002 – 2006) Chairman, Singapore International Chamber of Commerce (2005 – 2007) Council Member, Singapore Business Federation (2008) President, Singapore Institute of Directors (1998 – 2003) Chairman, Singapore Institute of Directors (2004 – 2009)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2016 and the statement of financial position of the Company as at 31 December 2016.

In the opinion of the directors,

(a) the accompanying financial statements of the Group and statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards;

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, except as disclosed in Note 2(a) to the financial statements.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

NAMES OF DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Henry Ngo
Gary Xie Guojun
Andy Xie Guoyuan (appointed on 01.06.2016)
Tom Yee Lat Shing (Independent Director)
Yeo Wee Kiong (Independent Director)
Chew Heng Ching (Independent Director)

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2016	As at 31.12.2016 and 21.1.2017#	As at 1.1.2016	As at 31.12.2016 and 21.1.2017#
The Company – Bonvests Holdings Limited		Number of ordinary shares		
Henry Ngo	85,357,128	**85,357,128**	247,033,069	**247,617,769**
Tom Yee Lat Shing	420,000	**420,000**	–	**–**
Yeo Wee Kiong	420,000	**420,000**	–	**–**
Chew Heng Ching	486,000	**486,000**	–	**–**
The immediate holding company – Goldvein Holdings Pte. Ltd.				
Henry Ngo	42,502,922	**42,502,922**	–	**–**

DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONTINUED)

Mr Henry Ngo, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of Bonvests Holdings Limited and Goldvein Holdings Pte. Ltd., and in the shares held by the Company in the following subsidiaries that are not wholly owned by the Group:

	As at 1.1.2016	As at 31.12.2016
	Number of ordinary shares	
Colex Holdings Limited	106,331,560	**106,331,560**

There are no changes to the above shareholdings as at 21 January 2017.

SHARE OPTION SCHEME

No options to take up unissued shares of the Company or any subsidiaries have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

AUDIT COMMITTEE

The Audit Committee at the end of the financial year comprises the following members:

Tom Yee Lat Shing (Chairman)
Yeo Wee Kiong
Chew Heng Ching

All members of the Audit Committee are non-executive directors and all members are independent.

The Audit Committee performs the functions set out in Section 201B (5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2016 as well as the auditor's report thereon;

AUDIT COMMITTEE (CONTINUED)

(iv) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;

(v) met with the external auditor and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(viii) reviewed the nature and extent of non-audit services provided by the external auditor;

(ix) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(xi) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee has recommended to the Board of Directors the appointment of PricewaterhouseCoopers LLP as external auditor of the Company in place of the retiring auditor, Foo Kon Tan LLP, at the forthcoming 2016 Annual General Meeting.

Full details regarding the Audit Committee are provided in the "Corporate Governance Statement".

In appointing external auditor for the Company and subsidiaries, the Company has complied with Rules 712 and 715 of the SGX Listing Manual.

INDEPENDENT AUDITOR

The retiring auditor, Foo Kon Tan LLP, will not be seeking re-appointment. PricewaterhouseCoopers LLP has expressed its willingness to accept appointment as auditor.

OTHER INFORMATION REQUIRED BY THE SGX-ST

Material information

There are no material contract to which the Company or its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year ended 31 December 2016 except as disclosed under "Disclosure on Remuneration" in "Corporate Governance Statement" and in Note 28 to the financial statements.

OTHER INFORMATION REQUIRED BY THE SGX-ST (CONTINUED)

Interested person transactions

There are no interested person transactions as defined in Chapter 9 of Listing Manual of the Singapore Exchange conducted during the financial year ended 31 December 2016 except as disclosed under "Interested Person Transactions" in "Corporate Governance Statement" and in Note 37 to the financial statements.

On behalf of the Directors

HENRY NGO

TOM YEE LAT SHING

Dated: 20 March 2017

INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the accompanying financial statements of Bonvests Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2016, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and the Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Risk

The Group has significant investment properties that represent approximately 46% of total consolidated non-current assets as at 31 December 2016.

These investment properties are stated at fair value, determined based on independent external valuations. The valuation of investment properties requires significant judgement and estimation. There is a risk that the investment properties may not be fairly stated if the valuation methodology adopted and the key assumptions applied by the valuers are inappropriate. A small change in the key assumptions can have significant impact to the valuation.

Our Responses and Work Performed

Our procedures in relation to the use of management's experts included:

- assessing the competency, capability and objectivity of these valuers;
- considering and evaluating the valuation methodologies used; and
- discussions with these valuers to obtain and understand the valuation methodologies used, key assumptions applied and comparing them to market comparables, historical data and available industry data.

The Group's disclosures about valuation of investment properties are included in the significant accounting policy in Note 2(d) and Note 4 to the financial statements.

KEY AUDIT MATTERS (CONTINUED)

Impairment of property, plant and equipment

Risk

The Group has significant property, plant and equipment that represent approximately 48% of total consolidated non-current assets as at 31 December 2016.

The Group has several hotels and resorts located across few countries (Singapore, Australia, Maldives, Tunisia, Zanzibar and Mauritius), giving rise to a diverse property portfolio. The impairment review of these hotels and resorts is considered to be a risk area due to the size of the balances as well as significant judgement and estimates made by management and external valuers.

Our Responses and Work Performed

Our procedures in relation to management's assessment of impairment indicators included:

- assessing the competency, capability and objectivity of management's use of experts;
- considering the valuation techniques used;
- discussions with the experts to obtain and understand the valuation methodologies used, key assumptions applied and comparing them to market comparables, historical data and available industry data; and
- engaging auditors' experts to evaluate management's preliminary assessment and assessing the competency, capability and objectivity of these experts.

The Group's disclosures about impairment of property, plant and equipment are included in the significant accounting policy in Note 2(d) and Note 5 to the financial statements.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises all information in the annual report but does not include the financial statements and our auditor's report thereon. These other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yeo Boon Chye.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 20 March 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	The Company 31 December 2016 $'000	The Company 31 December 2015 $'000	The Group 31 December 2016 $'000	The Group 31 December 2015 $'000
ASSETS					
Non-Current Assets					
Investment properties	4	**–**	–	**500,103**	547,522
Property, plant and equipment	5	**620**	783	**518,950**	483,592
Subsidiaries	6	**621,052**	550,462	**–**	–
Intangible assets	7	**–**	–	**4,339**	8,151
Available-for-sale financial assets	8	**–**	–	**3,108**	44,516
Held-to-maturity financial asset	9	**–**	–	**–**	–
Club memberships	10	**131**	131	**131**	131
Rental lease receivables	11	**–**	–	**489**	787
Long-term prepayments and deposit	12	**–**	–	**50,500**	43,563
Deferred income tax assets	13	**–**	–	**1,088**	2,575
		621,803	551,376	**1,078,708**	1,130,837
Current Assets					
Inventories	14	**–**	–	**4,353**	4,250
Financial assets at fair value through profit or loss	15	**–**	–	**5,415**	4,666
Trade and other receivables	16	**117**	113	**28,833**	30,869
Advances to subsidiaries (non-trade)	17	**15,155**	28,855	**–**	–
Cash and cash equivalents	18	**68,036**	1,712	**94,256**	31,182
		83,308	30,680	**132,857**	70,967
Non-current assets classified as held-for-sale	19	**–**	–	**225**	256
		83,308	30,680	**133,082**	71,223
Total assets		**705,111**	582,056	**1,211,790**	1,202,060
EQUITY AND LIABILITIES					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	**254,139**	254,139	**254,139**	254,139
Retained profits		**66,551**	55,194	**720,073**	663,867
Other reserves	21	**–**	–	**(72,491)**	(44,060)
		320,690	309,333	**901,721**	873,946
Non-controlling interests		**–**	–	**7,572**	6,683
Total equity		**320,690**	309,333	**909,293**	880,629
Non-Current Liabilities					
Borrowings	22	**60,000**	–	**120,414**	62,928
Long-term liabilities	23	**–**	–	**16,370**	13,611
Derivative financial instrument	24	**–**	–	**92**	66
Gratuity on retirement	25	**–**	–	**662**	537
Deferred income tax liabilities	13	**–**	–	**7,349**	8,222
		60,000	–	**144,887**	85,364
Current Liabilities					
Trade and other payables	26	**992**	922	**49,636**	50,272
Derivative financial instrument	24	**–**	–	**89**	31
Current tax payable		**180**	124	**7,907**	6,261
Borrowings	22	**77,504**	118,452	**99,978**	179,503
Advances from subsidiaries (non-trade)	17	**245,745**	153,225	**–**	–
		324,421	272,723	**157,610**	236,067
Total liabilities		**384,421**	272,723	**302,497**	321,431
Total equity and liabilities		**705,111**	582,056	**1,211,790**	1,202,060

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Revenue	3, 38	**220,626**	212,251
Other income	27	**54,477**	46,319
Changes in inventories of finished goods		**137**	(1,292)
Materials and consumables used		**(17,749)**	(17,371)
Employee benefit costs	28	**(81,220)**	(72,000)
Depreciation expenses	5	**(23,197)**	(18,562)
Other operating expenses	29	**(82,834)**	(86,398)
Finance costs	30	**(5,593)**	(3,697)
Profit before taxation	30	**64,647**	59,250
Taxation	31	**(8,437)**	(9,232)
Total profit for the year		**56,210**	50,018
Other comprehensive (expenses)/income after tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**4,208**	1,723
Available-for-sale financial assets			
– Fair value (losses)/gains	8	**(6,093)**	16,410
– Fair value gain recycled to profit or loss upon disposal of available-for-sale financial assets	8	**(18,157)**	–
	21(i)	**(24,250)**	16,410
Cash flow hedges	24	**(84)**	(97)
Other comprehensive (expenses)/income for the year, net of tax	33	**(20,126)**	18,036
Total comprehensive income for the year		**36,084**	68,054
Profit attributable to:			
Owners of the parent		**54,907**	48,843
Non-controlling interests		**1,303**	1,175
		56,210	50,018
Total comprehensive income attributable to:			
Owners of the parent		**34,824**	66,885
Non-controlling interests		**1,260**	1,169
		36,084	68,054
Earnings per share	34	**Cents**	Cents
– Basic		**13.66**	12.14
– Diluted		**13.66**	12.14

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Attributable to equity holders of the Company									
	Share capital $'000	Retained profits* $'000	Revaluation surplus reserve $'000	Fair value reserve $'000	Exchange fluctuation reserve $'000	Premium paid on acquisition of non-controlling interests $'000	Hedging reserve $'000	Total attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total equity $'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**
Profit for the year	**–**	**54,907**	**–**	**–**	**–**	**–**	**–**	**54,907**	**1,303**	**56,210**
Other comprehensive income/ (expenses)	**–**	**–**	**–**	**(24,250)**	**4,251**	**–**	**(84)**	**(20,083)**	**(43)**	**(20,126)**
Total comprehensive income/ (expenses) for the year	**–**	**54,907**	**–**	**(24,250)**	**4,251**	**–**	**(84)**	**34,824**	**1,260**	**36,084**
2015 final tax-exempt (1-tier) dividend paid of 1.60 cents per share (Note 32)	**–**	**(6,435)**	**–**	**–**	**–**	**–**	**–**	**(6,435)**	**–**	**(6,435)**
Repurchase and cancellation of shares	**–**	**(119)**	**–**	**–**	**–**	**–**	**–**	**(119)**	**–**	**(119)**
Transfer of revaluation surplus to retained profits upon disposal of investment properties	**–**	**7,853**	**(7,853)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Change in interest in a subsidiary	**–**	**–**	**–**	**–**	**–**	**(495)**	**–**	**(495)**	**(217)**	**(712)**
Dividend paid by subsidiary to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(154)**	**(154)**
Transactions with owners	**–**	**1,299**	**(7,853)**	**–**	**–**	**(495)**	**–**	**(7,049)**	**(371)**	**(7,420)**
Balance at 31 December 2016	**254,139**	**720,073**	**5,730**	**(178)**	**(40,255)**	**(37,607)**	**(181)**	**901,721**	**7,572**	**909,293**
Balance at 1 January 2015	254,139	621,459	13,583	7,662	(46,235)	(37,112)	–	813,496	5,654	819,150
Profit for the year	–	48,843	–	–	–	–	–	48,843	1,175	50,018
Other comprehensive income/ (expenses)	–	–	–	16,410	1,729	–	(97)	18,042	(6)	18,036
Total comprehensive income/ (expenses) for the year	–	48,843	–	16,410	1,729	–	(97)	66,885	1,169	68,054
2014 final tax-exempt (1-tier) dividend paid of 1.60 cents per share (Note 32)	–	(6,435)	–	–	–	–	–	(6,435)	–	(6,435)
Dividend paid by subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	(140)	(140)
Transactions with owners	–	(6,435)	–	–	–	–	–	(6,435)	(140)	(6,575)
Balance at 31 December 2015	254,139	663,867	13,583	24,072	(44,506)	(37,112)	(97)	873,946	6,683	880,629

* Retained profits are distributable.

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Cash Flows from Operating Activities			
Profit before taxation		**64,647**	59,250
Adjustments for:			
Depreciation of property, plant and equipment	5	**23,197**	18,562
Impairment of goodwill	7	**4,197**	–
Gain on disposal of available-for-sale financial assets		**(11,930)**	–
Fair value gain recycled to profit or loss upon disposal of available-for-sale financial assets	8	**(18,157)**	–
	27	**(30,087)**	–
Write-back of allowance for obsolete inventories		**(19)**	–
Fair value (gain)/loss on financial assets at fair value through profit or loss	15	**(749)**	48
Interest income	27	**(352)**	(442)
Dividend income from available-for-sale investments		**(73)**	(4,430)
Interest expense	30	**5,593**	3,697
Loss/(gain) on disposal of property, plant and equipment	30	**269**	(200)
Impairment of property, plant and equipment	5	**–**	10,490
Property, plant and equipment written off	29	**600**	679
Gain on disposal of held-to-maturity financial asset		**–**	(23)
Replaced components of improvements to investment properties written off	4	**87**	251
Gain on disposal of investment properties	27	**(19,373)**	–
Net fair value loss/(gain) of investment properties	4	**1,962**	(42,739)
		(17,411)	(42,739)
Operating profit before working capital changes		**49,899**	45,143
(Increase)/decrease in inventories		**(84)**	26
Decrease/(increase) in operating receivables		**3,708**	(4,963)
Increase/(decrease) in operating payables		**2,272**	(1,194)
Cash generated from operations		**55,795**	39,012
Income taxes paid		**(6,865)**	(5,274)
Net cash generated from operating activities		**48,930**	33,738
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment (Note A)		**(27,509)**	(21,867)
Addition to investment properties		**(448)**	(8,059)
Acquisition to investment properties		**(15,449)**	–
	4	**(15,897)**	(8,059)
Payment of advance rent lease		**(1,270)**	–
Purchase of financial assets at fair value through profit or loss	15	**–**	(2,440)
Purchase of available-for-sale financial assets	8	**–**	(196)
Payment for long-term prepayments		**(19,906)**	(19,804)
Proceeds from sale of financial assets, at fair value through profit or loss		**–**	1,387
Proceeds from disposal of held-to-maturity financial assets		**–**	1,020
Proceeds from disposal of property, plant and equipment		**166**	291
Proceeds from disposal of available-for-sale financial assets		**47,245**	–
Proceeds from disposal of investment properties		**65,493**	–
Additional interests of a subsidiary, net of cash acquired	6	**(555)**	(88,911)
Investment income			
– Interest received		**352**	442
– Dividends received		**73**	4,430
Net cash generated from/(used in) investing activities		**48,192**	(133,707)

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Cash Flows from Financing Activities			
Proceeds from bank borrowings		**79,816**	124,694
Repayment of bank borrowings		**(99,329)**	(1,975)
Repurchase of Company's shares		**(119)**	–
Repayment of finance leases		**(2,594)**	(2,568)
Interest paid		**(5,593)**	(3,697)
Dividends paid			
– to non-controlling interests		**(154)**	(140)
– to equity holders of the Company		**(6,435)**	(6,435)
Net cash (used in)/generated from financing activities		**(34,408)**	109,879
Net increase in cash and cash equivalents		**62,714**	9,910
Cash and cash equivalents at beginning		**30,751**	22,580
Exchange differences on translation		**664**	(1,739)
Cash and cash equivalents at end	18	**94,129**	30,751

NOTE:

A. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $42,904,000 (2015 – $31,018,000). Cash payments of $27,509,000 (2015 – $21,867,000) were made to purchase property, plant and equipment.

	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Additions of property, plant and equipment	**42,904**	31,018
Less:		
Capitalisation of amortisation of long-term prepayment	**(12,679)**	(6,226)
Liabilities owing for capital expenditure	**(1,030)**	(1,153)
Lease rental capitalised	**(1,353)**	(1,452)
Capitalisation of depreciation on leasehold land during construction and development phase of project	**(333)**	(320)
	27,509	21,867

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and was incorporated as a limited liability company and is domiciled in Singapore.

The registered office is located at 541 Orchard Road #16-00, Liat Towers, Singapore 238881.

The immediate and ultimate holding company is Goldvein Holdings Pte. Ltd., a company incorporated in Singapore.

2(a) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars which is the Company's functional currency. All financial information is presented in thousands of Singapore Dollars ("$'000"), unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Significant judgements made and assumptions used in applying accounting policies

Revenue – Gross presentation

The Group assesses at the end of the balance sheet date whether the Group acts as a principal or an agent. To determine whether the Group acts as a principal, the Group considers factors such if the Group has primary responsibility for providing the goods or services to the customer, has latitude in establishing prices, either directly or indirectly and bears the customer's credit risks for the amount receivable from the customers. The Group has determined, based on an evaluation of the terms and conditions of the sales arrangements, that the Group acts as a principal and so accounts the revenue as gross presentation in the consolidated statement of profit or loss and other comprehensive income.

2(a) **BASIS OF PREPARATION** (CONTINUED)

Significant judgements made and assumptions used in applying accounting policies (Continued)

Classification of investment properties arising from business combination (Note 4)

As disclosed in Note 4, the Group through its wholly-owned subsidiary, Goldvista (Perth) Pty Ltd as trustee for Goldvista (Perth) Trust, has acquired investment properties of $15,449,000 (AUD 14,780,000). The Group has assessed whether the acquired properties are investment properties under FRS 40 *Investment Property* and performed a separate assessment under FRS 103 *Business Combinations* to determine whether the acquisition of the investment properties constitutes a business combination. The Group has used judgement to determine the acquisition of the investment properties is an acquisition of assets under FRS 103.

Impairment of available-for-sale investments (Note 8)

At the balance sheet date, the fair values of certain quoted equity investments classified as available-for-sale financial assets with a carrying amount of $3,014,000 have declined below cost by $175,000. The Group has made a judgement that this decline is not significant or prolonged. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

The carrying amount of available-for-sale equity investments as at 31 December 2016 was $3,108,000 (2015 – $44,516,000). If a decline in fair value below cost was considered significant or prolonged, the Group would have recognised an additional loss of $175,000 (2015 – $Nil).

Deferred taxation on investment properties (Note 13)

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group, is not subject to any income taxes on the fair value changes of the investment properties on disposal except for the investment properties in Tunisia where a capital gain tax of 25% will be imposed.

As the management believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain positions.

2(a) BASIS OF PREPARATION (CONTINUED)

Significant judgements made and assumptions used in applying accounting policies (Continued)

Income tax (Notes 13 and 31)

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Going concern

Notwithstanding the Company and the Group have a total assets of $705,111,000 (2015 – $582,056,000) and $1,211,790,000 (2015 – $1,202,060,000) respectively as at 31 December 2016, other comprehensive expenses of $20,126,000 (2015 – other comprehensive income of $18,036,000) and the Group has generated net cash from operating activities of $48,930,000 (2015 – $33,738,000) for the financial year ended 31 December 2016, the Company's and the Group's current liabilities have exceeded the current assets by $241,113,000 (2015 – $242,043,000) and $24,528,000 (2015 – $164,844,000) respectively. The negative working capital is due to the Group's treasury management of utilising short-term financing which carried a lower interest cost to finance its long-term capital commitments. The Company and the Group manage the liquidity risk by ensuring there are sufficient cash and marketable securities to meet all their normal operating commitments in a timely and cost-effective manner, having adequate amount of credit facilities and the ability to close market positions at short notice.

At the end of the reporting period, the undrawn credit facilities is $158,095,000 (2015 – $111,906,000) whilst the fair value of the marketable securities is $8,523,000 (2015 – $49,182,000). The financial statements have been prepared on a going concern basis based on the above factors as well as the Group remaining profitable with a net profit after taxation of $56,210,000 in the financial year ended 31 December 2016 (2015 – $50,018,000).

Critical accounting estimates and assumptions used in applying accounting policies

Revaluation of investment properties (Note 4)

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss.

The fair values of investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques comprise both the direct market comparison method and income method.

The determination of the fair values of the investment properties require the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams and the overall repair and condition of the property) and capitalisation rates applicable to those assets. These estimates are based on local market conditions existing at the end of each reporting date.

2(a) BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

Revaluation of investment properties (Note 4) (Continued)

The carrying amount and key assumptions used to determine the fair value of the investment properties are further explained in Note 43.2. If the capitalisation rates used in the valuation had been 0.5% higher or lower than management's estimates, the carrying amount of the investment properties would have been $2,342,000 (2015 – $2,351,000) lower or $2,366,000 (2015 – $2,374,000) higher.

Impairment of property, plant and equipment (Note 5)

The Company and the Group assessed annually whether property, plant and equipment had any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment had been determined based on techniques as disclosed in Note 5. These calculations required the use of judgements and estimates.

The key assumptions and estimates are disclosed in Note 5 to the financial statements.

Depreciation of property, plant and equipment (Note 5)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 1 to 50 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2016 is $518,950,000 (2015 – $483,592,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 10% from management's estimates, the carrying amounts of the property, plant and equipment of the Group will be approximately $2,139,000 (2015 – $1,717,000) higher or $2,614,000 (2015 – $2,098,000) lower.

Estimated impairment of goodwill (Note 7)

The initial accounting for the acquisition of Bonaventure (Perth) Pty Ltd, as trustee for Bonaventure (Perth) Trust was incomplete as at 31 December 2015 as it was pending the completion of the purchase price allocation. The Group has completed the purchase price allocation exercise in May 2016 which requires a significant amount of management's estimation, particularly in relation to the valuation of land and building. The Group's disclosures on the above are set out in Note 6(ii)(a) to the financial statements.

The Group has recognised an impairment charge on its goodwill of $4,197,000 during the financial year ended 31 December 2016 which resulted in the carrying amount of goodwill as at 31 December 2016 reduce to $4,339,000.

In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 7, the recoverable amounts of the Cash Generating Unit ("CGU") in which goodwill has been attributable to, are determined using fair value less costs of disposal ("FVLCD") calculation, using a combination of income approach and present value techniques.

Significant judgement, assumptions and estimates are used to estimate the discount rate, terminal value, income capitalisation rate and value per room applied in computing the recoverable amount of the CGU. In making these estimates, management has relied on comparable hotel sales and transactions where such yields are purported to reflect expectations of future growth in income and capital value.

The key assumptions and estimates are disclosed in Note 7 to the financial statements.

2(a) BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

Allowance for inventory obsolescence (Note 14)

The Group reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable value of the inventory increase/decrease by 10% from management's estimates, the Group's profit will decrease/increase by $435,000 (2015 – $425,000). The carrying amount of the inventory is disclosed in Note 14 to the financial statements.

Impairment of loans and receivables (Note 16)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by $780,000 (2015 – increase by $581,000). The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 16 to the financial statements.

Gratuity on retirement (Note 25)

The present value of the post-employment pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate and salary increase. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have a tenure approximating the tenure of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions.

2(a) BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

Gratuity on retirement (Note 25) (Continued)

If the discount rate used differs by 1% from management's estimates, the carrying amount of pension obligations will be estimated to be $111,000 (2015 – $92,000) higher or $92,000 (2015 – $76,000) lower.

If the salary increase used differs by 1% from management's estimates, the carrying amount of pension obligations will be estimated to be $94,000 (2015 – $78,000) lower or $111,000 (2015 – $92,000) higher.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(b) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2016

The directors do not anticipate that the adoption of the FRSs will have a material impact on the financial statements of the Group in the period of their initial adoption except for the following new or amended FRS and INT FRS issued and effective in year 2016:

Reference	Description
Amendments to FRS 1	Disclosure initiatives – Presentation of Financial Statements

The amendments to FRS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing FRS 1 requirements. The amendments clarify:

- The materiality requirements in FRS 1
- That specific line items in the statement(s) of profit or loss and other comprehensive income ("OCI") and the statement of financial position may be disaggregated
- That entities should adopt a systemic order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. The amendments to FRS 1 are effective for annual periods beginning on or after 1 January 2016. As this is a disclosure standard, it will have no impact to the financial position of the Company and the Group and performance of the Group when applied in.

2(c) FRS ISSUED BUT NOT YET EFFECTIVE

The Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the SGX-ST will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on the SGX-ST will have to assess the impact of IFRS 1 First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

The following are the new or amended FRS issued that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to:		
FRS 7	Disclosure Initiative – Statement of Cash Flows	1 January 2017
FRS 40	Investment Property – Transfers of Investment property	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
Clarification to FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Company in the period of their initial adoption, except the following:

<u>Amendments to FRS 7 *Statement of Cash Flows*</u>

The Amendments to FRS 7 *Statement of Cash Flows* required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way – e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position and performance of the Group when applied in.

<u>Amendments to FRS 40 *Transfers of Investment Property*</u>

Under the amendments in FRS 40 *Transfers of Investment Property* has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change in use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

The amendments are effective on 1 January 2018. However, if finalised, earlier adoption is permitted. The amendments would be applied retrospectively in accordance with FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The Group is currently assessing the impact to the consolidated financial statements.

2(c) FRS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

FRS 115 *Revenue Contracts with Customers*

FRS 115 *Revenue from Contracts with Customers* establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 *Construction Contracts,* FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for Construction of Real Estate*, INT FRS 118 *Transfer of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions involving Advertising Services*. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards. FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

Clarifications to FRS 115 *Revenue Contracts with Customers*

The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e. on 1 January 2018.

FRS 109 *Financial Instruments*

FRS 109 *Financial Instruments* replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which includes a logical model for:

- Classification and measurement;
- A single, forward-looking "expected loss" impairment model; and
- A substantially reformed approach to hedge accounting.

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

FRS 116 *Leases*

FRS 116 *Leases* replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 *Leases* that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 *Leases* will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted FRS 115. The Group is currently assessing the impact to the consolidated financial statements.

2(d) SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. Information on its subsidiaries is given in Note 6.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business combination comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (Continued)

Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Club memberships

Club memberships are acquired separately and are measured on initial recognition of cost. The cost of club memberships is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are measured at cost less any accumulated impairment losses.

The club memberships are assessed as having indefinite useful lives as the contracts are open ended and there is no foreseeable limit to the period over which the memberships are expected to generate cash to the Group. The club memberships are tested for impairment annually and carried at cost less accumulated impairment losses.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their useful lives as follows:

Buildings on freehold land	10 – 50 years
Leasehold land and buildings	Over remaining lease period
Plant, equipment and containers	5 – 20 years
Furniture, fittings, office equipment and renovations	3 – 10 years
Motor vehicles	5 – 10 years
Computers	3 – 7 years
Store fittings, equipment and appliances	5 – 7 years
Hotel operating assets	1 – 10 years

No depreciation is provided on freehold land and construction-in-progress.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers based on the highest-and-best-use basis. Changes in fair values are recognised in the profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off in profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

Long-term prepayments

Long-term prepayments comprising prepaid land lease expenses are charged to profit or loss on a straight-line basis over the lease term. The lease term is 50 years.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expired or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company and the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity investments were non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Group had the positive intent and ability to hold to maturity. Held-to-maturity investments were subsequently measured at amortised cost using the effective interest method. In addition, if there was objective evidence that the investment had been impaired, the financial asset was measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment were recognised in profit or loss. Any reversal should not result in a carrying amount that exceeded what the amortised cost would have been had any impairment loss not been recognised at the date the impairment was reversed. Any reversal was recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company and the Group provide money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables, related party balances, deposits and bank balances. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in profit or loss.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

When the fair value of unquoted investments cannot be measured reliably, fair value is determined by the transaction price.

Derivatives financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and it is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivatives financial instruments and hedging activities (Continued)

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Other than cash flow hedge, the Group has not designated any derivatives financial instruments as fair value hedge or net investment hedge.

Cash flow hedge

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in profit or loss.

Changes in the carrying amount of cash flow hedges are charged to the hedging reserve in equity. Amounts accumulated in equity are recycled to the profit or loss in the periods when the hedged item affects profit or loss. When the hedged transaction results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a cash flow hedging instrument expires or sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost method, and includes all costs in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of cash management. Bank overdrafts are presented as current borrowings on the statements of financial position.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets held-for-sale

Non-current assets are classified as assets held-for-sale and carried at lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less cost to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

If the criteria to classify as held-for-sale are no longer met, the assets, or disposal group, are remeasured at the lower of the carrying amount before the classification as held-for-sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets or disposal group not been classified as held-for-sale, and the recoverable amount at the date of the subsequent decision not to sell.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Where the Company purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividend. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expired or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statements of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statements of financial position.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on finance leases).

Financial guarantees

The Group has issued corporate guarantees to banks for credit facilities used for issuance of performance bonds of its subsidiaries. These guarantees are financial guarantee contracts as they require the Group to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statement of financial position.

Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' credit facilities, unless the Group has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Provision

Provision is recognised when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provision (Continued)

The provision for dismantlement and restoration is based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value. Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

The directors review the provision annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provision is discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Leases

Where the Group is the lessee,

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on “Property, plant and equipment”.

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term, except for lease payments during the construction and development phase of a development are capitalised to construction-in-progress under property, plant and equipment on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Where the Group is the lessor,

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Employee benefits

Pension obligations

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations and defined benefit plan (gratuity on retirement for a subsidiary). In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (Continued)

Pension obligations (Continued)

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

(b) An entity is related to the Company and the Group if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (Continued)

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

Revenue recognition

Revenue comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts, and after eliminating sales within the Group. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

The Group recognises revenue when the specific criteria for each of the Group's activities are met as follows:

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Rendering of services

Revenue from services, hotel and restaurant operations is recognised when services are rendered.

Dividend income

Dividend income from investments is recognised gross when the right to receive the dividend has been established.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

Rental income

Rental and related income from investment properties are recognised on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of total lease income. Penalty payments on early termination, if any, are recognised when incurred. These leases are for terms of one to six years with options to review at market rates thereafter.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in Singapore Dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance costs". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2(d) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conversion of foreign currencies (Continued)

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the end of reporting period of that statement of financial position;

(ii) income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Managing Director who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 PRINCIPAL ACTIVITIES AND REVENUE

The principal activities of the Company consist of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are as stated in Note 6.

Revenue of the Group consists of revenue from sale of goods and services, rental income and dividend income. Significant categories of revenue, excluding inter-company transactions and applicable goods and services tax, are detailed as follows:

The Group	2016 $'000	2015 $'000
Rental	**27,206**	25,723
Hotel	**123,593**	115,709
Industrial	**68,809**	65,001
Investment	**73**	5,818
Others	**945**	–
	220,626	212,251

3 PRINCIPAL ACTIVITIES AND REVENUE (CONTINUED)

Revenue from rental include rental of properties net of incentive cost, and ancillary services like service and air-conditioning charges and parking income, excluding applicable goods and services tax.

Revenue from hotel operations include all income from sales of every kind resulting from the operation of the hotel and all of the facilities used therein and is recognised as and when goods and services are provided.

Revenue from industrial include invoiced value of services rendered in the collection and disposal of waste, repair of waste compactors and cleaning services rendered to customers.

Revenue from investment include securities trading and investment holding.

Revenue from others include sale of food and beverages.

4 INVESTMENT PROPERTIES

The Group	2016 $'000	2015 $'000
At beginning of year	**547,522**	497,107
Exchange difference on translation	**(1,147)**	(132)
Acquisition during the year	**15,897**	8,059
Disposals during the year	**(46,120)**	–
Transfer to property, plant and equipment (Note 5)	**(14,000)**	–
Replaced components of improvements written off (Note 30)	**(87)**	(251)
Net fair value (loss)/gain recognised in profit or loss (Notes 27, 29 and 30)	**(1,962)**	42,739
At end of year	**500,103**	547,522

(a) During the financial year ended 31 December 2016, the following events have taken place:

– The Group through its wholly-owned subsidiary, Goldvista (Perth) Pty Ltd as trustee for Goldvista (Perth) Trust, entered into agreements to acquire the investment properties located at Lot 66, 482-484 and 486-488, Murray Street, Perth Australia, from third parties for total consideration of $15,449,000 (AUD 14,780,000).

The acquisition was completed on 24 February 2016.

– The Group through its wholly-owned subsidiary, Bon-food Pte Ltd, entered into an agreement to sell the investment property (1 retail shop unit) located at Block 829 Tampines Street 81 to a third party for total consideration of $14,550,000.

The disposal transaction was completed on 11 August 2016.

4 **INVESTMENT PROPERTIES** (CONTINUED)

- The Group through its wholly-owned subsidiary, Essential Investments Pte Ltd, entered into an agreement to sell the investment properties (2 retail shop units) located at 220 Orchard Road, Midpoint Orchard to a third party for total consideration of $13,667,000.

  The disposal transaction was completed on 31 October 2016.

- The Group through its wholly-owned subsidiaries, Bon-food Pte Ltd and Goldvein Trading Pte Ltd, entered into agreements to sell the investment properties (Ground floor shop units) located at 51 Yishun Central 1 Yishun 10 to a third party for total consideration of $37,750,000.

  The disposal transactions were completed on 16 November 2016.

After deducting direct costs totalling $474,000 relating to the above said disposals, gain on disposals totalling $19,373,000 (Note 27) has been recognised in the consolidated profit and loss statement for the financial year ended 31 December 2016.

(b) Investment properties are carried at fair value at the end of reporting period as determined by the respective independent professional valuers; Knight Frank, Colliers International and Derouiche Fadhel Architent Expert on 31 December 2016. Valuations were made at least annually based on the direct market comparison method in determining the open market values.

The direct comparison method involves an analysis of comparable sales of similar properties and adjusting the sale prices to be reflective of the investment properties. The income method involves capitalising the annual net rent at an appropriate interest rate after taking into account the property tax payable and an allowance for vacancy.

At each financial year end, the Group's finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to prior year valuation report; and
- holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the Audit Committee meetings.

Further details of fair value measurement are disclosed in Note 43.2.

4 INVESTMENT PROPERTIES (CONTINUED)

(c) The investment properties held by the Group comprises:

Location	Description	Area sq. metres	Tenure
541 Orchard Road, Singapore [1]	21-storey commercial/office building and land	19,209	Freehold
Golden Village (Yishun Ten) Complex at 51 Yishun Central 1, Singapore [1,2]	8 leasehold shop units	666	99 years lease commencing 1 April 1990
Golden Village (Yishun Ten) Complex at 51 Yishun Central 1, Singapore [1,2]	1 leasehold shop unit	300	99 years lease commencing 1 April 1990
Block 829 Tampines Street 81, Singapore [1,2]	1 leasehold shop unit	354	91 years lease commencing 1 April 1994
243/A Holland Avenue, Singapore [1,3]	2-storey shophouse	325	Freehold
220 Orchard Road, Midpoint Orchard, Singapore [1,2]	2 retail shop units	246	Freehold
Zone Touristique Gammarth La Marsa, Tunisia	2-storey commercial building and land	7,950	Freehold
Lot 66, 482-484 and 486-488 Murray Street, Perth Australia [1]	2-adjoining converted office buildings	2,075	Freehold

1 held by wholly-owned subsidiaries
2 disposed during the financial year ended 31 December 2016
3 transferred to property, plant and equipment

(d) Freehold properties at 541 Orchard Road, Singapore is mortgaged for bank borrowings and bank guarantees (Note 22.2(iii) and 36(b)).

(e) The investment properties are leased to non-related parties under operating leases (Note 35.2(ii)).

(f) On 15 February 2016, the Group transferred 2-storey shophouse that was held as investment property to owner-occupied property. On that date, a wholly-owned subsidiary of the Group, The Allied Folks Pte Ltd, has commenced using the shophouse for the operation of food and beverage outlet.

(g) The following amounts are recognised in profit or loss:

The Group	2016 $'000	2015 $'000
Rental income	**27,206**	25,723
Direct operating expenses arising from investment properties that generated rental income	**4,771**	4,763

5 PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant, equipment and containers $'000
Cost			
At 1 January 2015	239,497	166,790	57,508
Exchange difference on translation	2,290	(1,488)	(258)
Additions	605	1,152	3,199
Acquisition of a subsidiary (Note 6(ii)(a))	78,491	–	–
Reclassifications	–	–	–
Disposals	–	–	(331)
Written-off	–	–	(449)
At 31 December 2015	**320,883**	**166,454**	**59,669**
Exchange difference on translation	**(3,853)**	**3,189**	**(1,223)**
Additions	**1,680**	**1,713**	**3,194**
Transfer from investment properties (Note 4)	**14,000**	**–**	**–**
Reclassifications	**40**	**(89)**	**1,784**
Disposals	**–**	**(46)**	**(1,269)**
Written-off	**–**	**–**	**(317)**
At 31 December 2016	**332,750**	**171,221**	**61,838**
Accumulated depreciation and impairment losses			
At 1 January 2015	67,980	21,415	37,963
Exchange difference on translation	292	(704)	(164)
Depreciation charge	5,110	4,234	3,116
Impairment charge	–	10,490	–
Disposals	–	–	(293)
Written-off	–	–	(373)
At 31 December 2015	**73,382**	**35,435**	**40,249**
Exchange difference on translation	**(2,193)**	**552**	**(1,031)**
Depreciation charge	**8,594**	**4,141**	**3,447**
Disposals	**–**	**(4)**	**(1,027)**
Written-off	**–**	**–**	**(211)**
At 31 December 2016	**79,783**	**40,124**	**41,427**
Net book value			
At 31 December 2016	**252,967**	**131,097**	**20,411**
At 31 December 2015	247,501	131,019	19,420

Furniture, fittings, office equipment and renovations $'000	Motor vehicles $'000	Computers $'000	Store fittings, equipment and appliances $'000	Hotel operating assets $'000	Construction-in-progress $'000	Total $'000
93,837	18,250	3,763	217	13,590	25,353	618,805
(554)	(44)	(78)	(2)	(355)	1,730	1,241
580	1,880	192	–	194	23,216	31,018
2,932	–	–	–	–	–	81,423
–	–	241	–	20	(261)	–
(1)	(1,606)	–	–	(11)	–	(1,949)
(94)	–	(2)	–	(488)	(114)	(1,147)
96,700	**18,480**	**4,116**	**215**	**12,950**	**49,924**	**729,391**
(514)	**(118)**	**40**	**(26)**	**(140)**	**2,213**	**(432)**
1,559	**916**	**150**	**247**	**34**	**33,411**	**42,904**
–	**–**	**–**	**–**	**–**	**–**	**14,000**
1,317	**–**	**110**	**–**	**33**	**(3,195)**	**–**
(127)	**(719)**	**(96)**	**–**	**(18)**	**–**	**(2,275)**
(12)	**–**	**(5)**	**–**	**(488)**	**–**	**(822)**
98,923	**18,559**	**4,315**	**436**	**12,371**	**82,353**	**782,766**
70,999	7,829	3,221	129	10,844	–	220,380
(618)	(13)	(66)	(1)	(353)	–	(1,627)
4,359	1,653	251	21	138	–	18,882
–	–	–	–	–	–	10,490
(1)	(1,553)	–	–	(11)	–	(1,858)
(93)	–	(2)	–	–	–	(468)
74,646	**7,916**	**3,404**	**149**	**10,618**	**–**	**245,799**
(540)	**(115)**	**33**	**(17)**	**(140)**	**–**	**(3,451)**
5,134	**1,775**	**275**	**38**	**126**	**–**	**23,530**
(126)	**(569)**	**(96)**	**–**	**(18)**	**–**	**(1,840)**
(7)	**–**	**(4)**	**–**	**–**	**–**	**(222)**
79,107	**9,007**	**3,612**	**170**	**10,586**	**–**	**263,816**
19,816	**9,552**	**703**	**266**	**1,785**	**82,353**	**518,950**
22,054	10,564	712	66	2,332	49,924	483,592

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company	Motor vehicles $'000	Computers $'000	Total $'000
Cost			
At 1 January 2015	707	1	708
Additions	809	–	809
Disposals	(707)	–	(707)
At 31 December 2015 and **at 31 December 2016**	**809**	**1**	**810**
Accumulated depreciation			
At 1 January 2015	707	1	708
Depreciation	26	–	26
Disposals	(707)	–	(707)
At 31 December 2015	**26**	**1**	**27**
Depreciation	**163**	**–**	**163**
At 31 December 2016	**189**	**1**	**190**
Net book value			
At 31 December 2016	**620**	**–**	**620**
At 31 December 2015	783	–	783

Depreciation expenses

	Note	The Company 2016 $'000	The Company 2015 $'000	The Group 2016 $'000	The Group 2015 $'000
Depreciation expenses charged to:					
Profit or loss	30	**163**	26	**23,197**	18,562
Construction-in-progress		**–**	–	**333**	320
		163	26	**23,530**	18,882

(a) Freehold land and buildings comprise:

(i) A hotel with a land area of 7,178 square metres at 39 Scotts Road, Singapore;
(ii) A hotel with a land area of approximately 8 hectares in Tunis, Tunisia;
(iii) Golf course and clubhouse with a land area of approximately 112 hectares in Tunis, Tunisia; and
(iv) A hotel with a land area of 2,742 square metres at 707 Wellington Street, Perth, Australia.

All the freehold land and buildings are held by wholly-owned subsidiaries except for the Tunisian properties which are held by Singapore Tunisian Investment Company (Note 6) and Singapore Tunisian Investment Company Immobiliere (Note 6).

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Leasehold land and buildings comprise:

(i) Hotel building in Mauritius. The lease on the land has an area of approximately 54,910 square metres where the hotel building is residing will expire on 18 July 2068;

(ii) Leasehold land of PT. Bintan Vista. The parcel of land is located in the resort area of Galang Batang, Island Provinsi Kepulauan Riau, Indonesia and within the free trade zone. The parcel of land is approximately 729,715 square metres with tenure of approximately 30 years commencing between 29 December 2006 and 20 November 2008 and expires between 28 December 2036 and 19 November 2038;

(iii) Resort hotel in Zanzibar, on a land area of 321,270 square metres. It is leased for 49 years from 5 February 2007 and expires on 4 February 2056;

(iv) Resort hotel in Maldives on the island of Falhumaafushi, in Huvadhoo Atoll, has a land area of 77,600 square metres. The lease period is for 50 years commencing 26 February 2008; and

(v) A single storey detached factory on leasehold land with an area of 8,854 square metres located at 8 Tuas South Street 13, Singapore.

All the leasehold land and buildings are held by wholly-owned subsidiaries.

(c) Freehold land and buildings and equipment with a net book value of $247,000,000 (2015 – $256,664,000) are mortgaged for bank borrowings and bank guarantees (Notes 22.2(iii) and 36(b)).

(d) Included within additions in the consolidated financial statements are motor vehicles acquired under finance leases amounting to $31,000 (2015 – $Nil) respectively.

The net book value of plant and equipment and motor vehicles acquired under finance leases for the Group amounted to $Nil (2015 – $3,221,000) and $25,000 (2015 – $5,298,000) respectively at the date of the statement of financial position (Note 22.1).

(e) In the financial year ended 31 December 2015, the impairment loss charged on leasehold land and building for the hotel located at Zanzibar Island was due to the persistent poor financial performance of the hotel and the Group had assessed the recoverable amount of the hotel's property, plant and equipment ("Hotel") in Zanzibar. The recoverable amount of the Hotel was based on the fair value less costs of disposal using the multiple valuation method. The multiple valuation method involved arriving at a capitalisation rate to be applied to the maintainable earnings, which made adjustments to non-recurring expenses, or one-off income items. The management has assessed the multiple valuation method to be the most appropriate valuation method.

In the multiple valuation analysis, the management applied the valuation date of 31 December 2015. The management identified certain listed companies (both African and Global) with comparable business activities to resort hotel in Zanzibar and those most likely to be exposed to risks and rewards similar to those faced by resort hotel in Zanzibar, albeit located in different markets.

The management used both the historic Enterprise Value ("EV")/Sales and EV/Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") multiples of the selected listed comparables and applied a net discount of 20% to the average multiples. The net adjustment was to account for difference between resort hotel in Zanzibar and its listed African and Global comparables. These included differing markets, size, risk profiles and different stages in their lifecycles.

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As a result of the impairment assessment, the carrying amount of the Hotel was determined to be higher than its recoverable amount by $10,490,000 and accordingly, an impairment loss of $10,490,000 was recognised during the financial year ended 31 December 2015.

The key sensitivity of the multiple valuation related to the net discount to the average multiples. An increase/decrease of 5% in the net discount to the average multiples used would have increase/decrease the impairment loss by $1,639,000 and $1,401,900 respectively.

The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique use.

In the financial year ended 31 December 2016, the management has re-assessed and performed the impairment review of the Hotel in Zanzibar. Based on the impairment loss of $10,490,000 made in previous year, the management is of the opinion that there is no indication of further impairment required. In addition, there is no indication that reversal of impairment loss is required as the management is of the view that there is no increase in service potential of the Hotel from its use for the financial period under review.

6 SUBSIDIARIES

The Company	2016 $'000	2015 $'000
Quoted equity investments, at cost	**17,335**	17,335
Unquoted equity investments, at cost	**326,476**	326,476
	343,811	343,811
Amounts owing by subsidiaries on long-term loan account	**364,534**	293,776
	708,345	637,587
Less: Accumulated impairment losses		
Balance at beginning	**(87,125)**	(40,531)
Impairment charge	**(168)**	(46,594)
Balance at end	**(87,293)**	(87,125)
	621,052	550,462

The amounts owing by subsidiaries on long-term loan account are considered an extension of the Company's net investment in the subsidiaries. These are unsecured, interest-free and are not expected to be repaid within one year.

An impairment charge of $168,000 (2015 – $46,594,000) has been recognised on its investments in certain subsidiaries to reflect their recoverable amounts which were based on fair value less costs of disposal.

6 SUBSIDIARIES (CONTINUED)

The market value of quoted equity investments as at 31 December 2016 was $49,167,000 (2015 – $31,383,000).

The subsidiaries are:

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2016 $'000	2015 $'000	2016 %	2015 %	2016 %	2015 %	
	Held by the Company								
1	Bonfresh Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Bonvests Trading Pte Ltd	Singapore	**5**	5	**100**	100	**–**	–	Investment holding
1	Cavendish Realty Pte Ltd	Singapore	**4,121**	4,121	**100**	100	**–**	–	Property developer
9	Colex Compost Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Dormant
1	Colex Holdings Limited	Singapore	**17,335**	17,335	**78.9**	78.9	**21.1**	21.1	Investment holding; business and management consultancy services
1	Coop International Pte Ltd	Singapore	**10,064**	10,064	**100**	100	**–**	–	Investment holding and securities trading
1	Henrick (Singapore) Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
9	Goldvista Pte Ltd	Singapore	**1,285**	1,285	**100**	100	**–**	–	Dormant
1	Magnificent Developments Pte Ltd	Singapore	**20,000**	20,000	**100**	100	**–**	–	Property developer
2	Belle Mare Beach Development Company Limited	Mauritius	**2,186**	2,186	**100**	100	**–**	–	Hotel developer
1	The Residence Hotels & Resorts Management Pte Ltd	Singapore	**30,000**	30,000	**100**	100	**–**	–	Public relations consultancy services and sales and marketing support services
3	Richvein Pte Ltd	Singapore	**143,537**	143,537	**100**	100	**–**	–	Hoteliers
1	The Allied Folks Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Operation of food and beverage outlets
1	The Residence Hotels & Resorts Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Hotel and resorts management and operation
9	The Residence Hotels & Resorts Management Services Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding

6 SUBSIDIARIES (CONTINUED)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2016 $'000	2015 $'000	2016 %	2015 %	2016 %	2015 %	
	Held by the Company (Continued)								
1	Bonforte Investments Pte Ltd	Singapore	**3,600**	3,600	**100**	100	**–**	–	Investment holding
1	Bonsworth Developments Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Upfront Developments Pte Ltd	Singapore	**1,000**	1,000	**100**	100	**–**	–	Property developer
1	International Real Estate Corporation (Private) Limited	Singapore	**112**	112	**100**	100	**–**	–	Investment holding
1	Bon-Food Pte Ltd	Singapore	**22,753**	22,753	**100**	100	**–**	–	Property investment
1	Bonvests Investments Pte Ltd	Singapore	**758**	758	**100**	100	**–**	–	Investment holding
1	Goldvein Pte Ltd	Singapore	**75,155**	75,155	**100**	100	**–**	–	Property investment
1	Goldvein Trading Pte Ltd	Singapore	**5,000**	5,000	**100**	100	**–**	–	Property investment
1	Update Investments Pte Ltd	Singapore	**660**	660	**100**	100	**–**	–	Property investment
1	Essential Investments Pte Ltd	Singapore	**6,240**	6,240	**100**	100	**–**	–	Property investment
1	Goldprime Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Goldview Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
9	Goldpoint Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Investment holding
1	Bonswiss Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Dormant
9	Cenizaro Pte Ltd	Singapore	**&&**	&&	**100**	100	**–**	–	Dormant
9,10	Claridges Pte Ltd (formerly known as Brooklyn Bagels Pte Ltd)	Singapore	**&&**	–	**100**	–	**–**	–	Dormant
	Held by Bonvests Trading Pte Ltd								
4	PT. Bintan Vista	Indonesia	**–**	–	**100**	100	**–**	–	Hotel and resorts management and operation

6 SUBSIDIARIES (CONTINUED)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2016 $'000	2015 $'000	2016 %	2015 %	2016 %	2015 %	
	Held by Colex Holdings Limited								
1	Integrated Property Management Pte Ltd	Singapore	–	–	**78.9**	78.9	**21.1**	21.1	Contract cleaning
1	Colex Environmental Pte Ltd	Singapore	–	–	**78.9**	78.9	**21.1**	21.1	Provider of waste management services, namely waste disposal services to commercial, industrial and residential properties and other waste disposal related businesses
9	Juz Clean Pte Ltd (formerly known as Claridges Pte Ltd)	Singapore	–	–	**78.9**	78.9	**21.1**	21.1	Investment holding
	Held by Bonforte Investments Pte Ltd								
9,10	Claridges Pte Ltd (formerly known as Brooklyn Bagels Pte Ltd)	Singapore	–	–	**–**	100	**–**	–	Dormant
	Held by Bonsworth Developments Pte Ltd								
6	Bonaventure (Maldives) Pvt Ltd	Maldives	–	–	**100**	100	**–**	–	Investment, operation and management of resorts, hotels, spas and food and beverage outlets
	Held by Goldpoint Pte Ltd								
6	Bonavista (Maldives) Pvt Ltd	Maldives	–	–	**100**	100	**–**	–	Owning, operating and managing tourist resorts and hotels, investment in tourism related businesses
	Held by Goldview Pte Ltd								
7	Hotel & Property Development (Kendwa) Limited	Zanzibar	–	–	**100**	100	**–**	–	Development and management of a tourist resort
	Held by Goldprime Pte Ltd								
5	Singapore Tunisian Investment Company	Tunisia	–	–	**99.5**	98.0	**0.5**	2.0	Development and promotion of hotel trade, tourism and watering places
5	Singapore Tunisian Investment Company Immobiliere	Tunisia	–	–	**99.5**	98.0	**0.5**	2.0	Property developer

6 SUBSIDIARIES (CONTINUED)

	Name	Country of incorporation/ and operation	Cost of investments		Proportion of ownership interest and voting rights held by the Group		Proportion of ownership interest and voting rights held by non-controlling interests		Principal activities
			2016 $'000	2015 $'000	2016 %	2015 %	2016 %	2015 %	
	Held by Goldprime Pte Ltd (Continued)								
5	Singapore Tunisian Investment Company Douz	Tunisia	**–**	–	**99.5**	98.0	**0.5**	2.0	Construction, development, purchase, sale, hiring and operation of hotels and hotels' facilities
5	Singapore Tunisian Investment Company Medina	Tunisia	**–**	–	**99.5**	98.0	**0.5**	2.0	Engage in construction, developing, purchase, sale, hiring and operation of hotels and hotels' facilities, thermal facilities, restaurants, bars, casinos, stores, stands, thalassotherapy centre in Tunis
	Held by Henrick (Singapore) Pte Ltd								
8	Bonaventure (Australia) Pty Ltd as trustee for Bonaventure (Australia) Trust	Australia	**–**	–	**100**	100	**–**	–	Investment holding
8	Bonaventure (Perth) Pty Ltd as trustee for Bonaventure (Perth) Trust	Australia	**–**	–	**100**	100	**–**	–	Hoteliers
8	Claridges (Perth) Pty Ltd as trustee for Claridges (Perth) Trust	Australia	**–**	–	**100**	100	**–**	–	Dormant
8	Goldvista (Perth) Pty Ltd as trustee for Goldvista (Perth) Trust	Australia	**–**	–	**100**	100	**–**	–	Property investment
			343,811	343,811					

1 Audited by Foo Kon Tan LLP
2 Audited by PricewaterhouseCoopers, Mauritius
3 Audited by Ernst & Young, Singapore
4 Audited by Ernst & Young, Indonesia
5 Audited by Ernst & Young, Tunisia
6 Audited by Ernst & Young, Maldives
7 Audited by Crowe Horwath, Tanzania
8 Audited by PricewaterhouseCoopers, Australia
9 Reviewed by Foo Kon Tan LLP for the purpose of consolidation under FRS reporting. Total net tangible asset is $4,987,000 (2015 – $2,421,000), representing 0.55% (2015 – 0.27%) of total consolidated assets and liabilities.
10 During the financial year ended 31 December 2016, Bonforte Investments Pte Ltd has disposed Claridges Pte. Ltd. (formerly known as Brooklyn Bagels Pte Ltd) for a consideration of $1 to the Company. The carrying value of the net assets disposed of is $Nil as the investment was fully impaired.
&& Represents amount less than $500

6 SUBSIDIARIES (CONTINUED)

Subscription of shares

On 22 April 2016, the Company through its wholly-owned subsidiary, Goldprime Pte Ltd ("Goldprime") has subscribed for 2,095,900 shares in Singapore Tunisian Investment Company ("STIC") amounting to $14,146,000 and its shareholdings increased from 97.99% to 98.87%. The effect of the change in shareholding interests arising from the subscription of shares is $125,000 recognised directly in equity and attributed to the owners of the parent.

Acquisition of non-controlling interests

On 30 September 2016, Goldprime acquired an additional 0.61% equity interest in STIC from its non-controlling interests for a cash consideration of $555,000. As a result of this acquisition, the Group now holds 99.48% of the issued and paid up capital in STIC. The carrying value of the net asset on 30 September 2016 was $29,932,000 and the carrying amount of the non-controlling interest acquired was $183,000. The difference of $372,000 between the consideration and the carrying value of the additional interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within equity.

The following summarises the effect of the change in the Group's ownership interest in STIC on the equity attributable to owners of the Company:

The Group	2016 $'000	2015 $'000
Consideration paid for acquisition of non-controlling interests	**555**	–
Carrying amount of non-controlling interests acquired	**183**	–
Excess of consideration paid recognised in parent's equity (Note 21(iv))	**372**	–

The carrying amounts of the controlling and non-controlling interests were adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Acquisition of subsidiary

(i) On 14 October 2015, the Company through its wholly-owned subsidiary, Bonaventure (Australia) Pty Ltd as trustee for Bonaventure (Australia) Trust acquired 100% of the issued share capital of Bonaventure (Perth) Pty Ltd as trustee for Bonaventure (Perth) Trust for a cash consideration of $90,059,000. As at 31 December 2015, the fair value of the net assets acquired has not been determined as it was pending the completion of the purchase price allocation. The Group has completed the purchase price allocation exercise in May 2016.

The acquisition was to continue to build the Group's portfolio of hotels and to grow its revenue base in a sustainable manner by adding resilient hotels in gateway cities.

6 SUBSIDIARIES (CONTINUED)

Acquisition of subsidiary (Continued)

(ii) Following the completion of the purchase price allocation exercise in accordance with FRS 103 *Business Combinations*, the fair values of the identifiable assets and liabilities as at acquisition date were as follows:

(a) Fair values of the identifiable assets and liabilities

	Note	Fair value recognised on acquisition $'000
Property, plant and equipment	5	81,423
Trade and other receivables (Note (d) below)		1,536
Inventories		56
Cash and cash equivalents		1,148
Trade and other payables (Note (e) below)		(2,190)
Long service leave		(32)
Total net identifiable assets		81,941
Goodwill		
Provisional goodwill – as previously reported	7	8,151
Acquisition date – fair value adjustment	7	(33)
Goodwill	7	8,118
Total consideration transferred		90,059

(b) Effect on cash flows of the Group

	2016 $'000	2015 $'000
Cash paid [per (a) above]	–	90,059
Less: Cash and cash equivalents in subsidiary acquired	–	(1,148)
Net cash outflow on acquisition	–	88,911

(c) Acquisition-related cost

In the financial year ended 31 December 2015, the Group incurred acquisition-related cost of $5,116,000 relating to stamp duty, external legal fees and due diligence costs. These costs had been expensed off and had been included in administrative expenses in the Group's statement of profit or loss and other comprehensive income.

(d) Trade and other receivables

Trade and other receivables and their gross amounts acquired comprised trade and other receivables and prepaid expenses with fair values of $1,117,000 (2015 – $1,037,000) and $419,000 (2015 – $480,000) respectively.

6 SUBSIDIARIES (CONTINUED)

Acquisition of subsidiary (Continued)

(e) Trade and other payables

Trade and other payables and their gross amounts acquired comprised trade payables, accrued expenses and advance deposits from suppliers with fair values of $417,000 (2015 – $545,000), $1,428,000 (2015 – $1,302,000) and $345,000 (2015 – $345,000) respectively.

(f) Fair value of property, plant and equipment

The fair value of the acquired property, plant and equipment of $81,423,000 has been determined based on the final valuation report from the professional independent valuer as at 14 March 2016.

The directors are of the view that there is no significant change in the market value of the property, plant and equipment from the valuation date to May 2016.

(g) Revenue and profit contribution

The subsidiary acquired during the financial year ended 31 December 2015 contributed to a decrease in the Group's profit by $5,392,000 from acquisition date to the end of the reporting period. If acquisition had occurred on 1 January 2015, the Group's revenue and profit would have been $228,689,000 and $50,804,000 respectively. The subsidiary's assets and liabilities at 31 December 2015 were $93,954,000 and $57,634,000 respectively.

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial year ended 31 December 2016.

Summarised balance sheet

	Colex Holdings and its subsidiaries $'000
2016	
Current	
Assets	**11,634**
Liabilities	**(86)**
Total current net assets	**11,548**
Non-Current	
Assets	**4,489**
Liabilities	**–**
Total non-current net assets	**4,489**
Net assets	**16,037**

6 SUBSIDIARIES (CONTINUED)

Summarised financial information of subsidiaries with material non-controlling interests (Continued)

Summarised balance sheet (Continued)

	Colex Holdings and its subsidiaries $'000	Singapore Tunisian Investment Company and its subsidiaries $'000
2015		
Current		
Assets	20,465	12,005
Liabilities	(8,910)	(11,382)
Total current net assets	11,555	623
Non-Current		
Assets	20,262	53,473
Liabilities	(2,211)	(30,900)
Total non-current net assets	18,051	22,573
Net assets	29,606	23,196

Summarised income statement

	Colex Holdings and its subsidiaries $'000
2016	
Revenue	**72,505**
Expenses	**(65,241)**
Profit before income tax	**7,264**
Income tax expense	**(882)**
Profit after tax	**6,382**
Other comprehensive expense	**–**
Total comprehensive income	**6,382**
Total comprehensive income allocated to non-controlling interests	**–**
Dividends paid to non-controlling interests	**154**

6 SUBSIDIARIES (CONTINUED)

Summarised financial information of subsidiaries with material non-controlling interests (Continued)

Summarised income statement (Continued)

	Colex Holdings and its subsidiaries $'000	Singapore Tunisian Investment Company and its subsidiaries $'000
2015		
Revenue	67,948	13,035
Expenses	(61,237)	(15,882)
Profit/(loss) before income tax	6,711	(2,847)
Income tax expense	(806)	(596)
Profit/(loss) after tax	5,905	(3,443)
Other comprehensive expense*	–	(290)
Total comprehensive income/(expense)	5,905	(3,733)
Total comprehensive income/(expense) allocated to non-controlling interests	1,246	(71)
Dividends paid to non-controlling interests	140	–

* Other comprehensive expense relates to currency translation differences arising from the consolidation.

Summarised cash flows

	Colex Holdings and its subsidiaries $'000
2016	
Cash flows from operating activities	
Cash generated from operations	**10,726**
Interest received	**68**
Income tax paid	**(717)**
Net cash generated from operating activities	**10,077**
Net cash used in investing activities	**(2,128)**
Net cash used in financing activities	**(3,420)**
Net increase in cash and cash equivalents	**4,529**
Cash and cash equivalents at beginning of year	**9,293**
Cash and cash equivalents at end of year	**13,822**

6 SUBSIDIARIES (CONTINUED)

Summarised financial information of subsidiaries with material non-controlling interests (Continued)

Summarised cash flows (Continued)

	Colex Holdings and its subsidiaries $'000	Singapore Tunisian Investment Company and its subsidiaries $'000
2015		
Cash flows from operating activities		
Cash generated from/(used in) operations	8,487	(2,008)
Interest received	10	386
Income tax refund	–	595
Income tax paid	(325)	–
Net cash generated from/(used in) operating activities	8,172	(1,027)
Net cash used in investing activities	(2,174)	(4,868)
Net cash (used in)/generated from financing activities	(3,350)	5,543
Net increase/(decrease) in cash and cash equivalents	2,648	(352)
Cash and cash equivalents at beginning of year	6,645	6,923
Exchange loss on cash and cash equivalents	–	(271)
Cash and cash equivalents at end of year	9,293	6,300

7 INTANGIBLE ASSETS

The Group	2016 $'000	2015 $'000
Cost		
At beginning of year	**8,151**	–
Acquisition of subsidiary [Note 6(ii)(a)]	**–**	8,151
Acquisition date – fair value adjustment [Note 6(ii)(a)]	**(33)**	–
	8,118	8,151
Exchange difference on translation	**418**	–
At end of year	**8,536**	8,151
Accumulated impairment loss		
Impairment for the year and balance at end of year (Note 29)	**4,197**	–
Net book value		
Balance at end of year	**4,339**	8,151

7 INTANGIBLE ASSETS (CONTINUED)

The intangible assets represent goodwill arising on consolidation of subsidiary. The goodwill of $8,151,000 arose from the acquisition of subsidiary, Bonaventure (Perth) Pty Ltd as trustee for Bonaventure (Perth) Trust in Australia on 14 October 2015.

Impairment test for goodwill

For the purpose of goodwill impairment testing, goodwill has been allocated to the property, plant and equipment held by Bonaventure (Perth) Trust (cash generating unit or "CGU") as the management is of the view that it is the smallest identifiable group of assets that generates cash on its own.

The recoverable amount of the CGU in which goodwill has been attributable to, is determined using fair value less costs of disposal calculation, using a combination of income approach and present value techniques as determined by an independent professional valuer, Colliers International Australia in the valuation of the said property, plant and equipment. The carrying amount of the CGU is determined to be higher than its recoverable amount and an impairment loss of $4,197,000 has been recognised within "Other operating expenses" in the consolidated profit or loss during the financial year ended 31 December 2016. The impairment loss was fully allocated to goodwill.

The key assumptions used in the calculation of the recoverable amount in respect of discount rate, terminal yield rate and income capitalisation rate are set out below. The values assigned to the key assumptions represent management's assessment of future growth in income and capital values trends and have been based on historical data from both external and internal sources.

	2016	2015
Discount rate	**8%**	–
Terminal yield rate	**7%**	–
Income capitalisation rate	**6%**	–

In making these estimates, management has relied on comparable hotel sales and transactions where such yields are purported to reflect expectations of future growth in income and capital value.

The discount rate used is based on an analysis of comparable hotel sales. The income capitalisation rate is derived from the yields indicated by sales of similar property investments.

Following the impairment loss recognised in the identified CGU, the recoverable amount equals the carrying amount as at 31 December 2016. Therefore, any adverse movement in a key assumption would lead to further impairment.

8 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group	2016 $'000	2015 $'000
At fair value		
Balance at beginning	**44,516**	27,910
Additions	**–**	196
Disposals	**(17,158)**	–
Fair value gain recycled to profit or loss upon disposal of available-for-sale financial assets (Note 21(i))	**(18,157)**	–
Fair value (losses)/gains recognised in other comprehensive income (Note 21(i))	**(6,093)**	16,410
Balance at end	**3,108**	44,516
Available-for-sale financial assets measured at fair value are analysed as follows:		
Quoted equity investments – Singapore	**3,108**	44,516

The fair value of quoted equity investments is determined by reference to Singapore Exchange Securities quoted prices.

9 HELD-TO-MATURITY FINANCIAL ASSET

The Group	2016 $'000	2015 $'000
Balance at beginning	**–**	995
Add: Amortisation	**–**	2
Less: Disposal	**–**	(997)
Balance at end	**–**	–
Held-to-maturity asset is analysed as follows:		
Unquoted debt instrument	**–**	–

Unquoted debt instrument of $1,000,000 represented fixed rated coupon bonds, with an effective interest of 5.09% per annum and due to mature on 30 October 2017. The Group received related interest payments semi-annually in April and October.

On 18 December 2015, the bonds issuer redeemed the held-to-maturity financial asset from the Group for a consideration of $1,020,000.

10 CLUB MEMBERSHIPS

The Company and The Group	2016 $'000	2015 $'000
Club memberships with indefinite life, at cost	**131**	131
Market value of club memberships	**80**	102

No further adjustment has been made to reflect the book value to the fair value as the directors deem the adjustments as immaterial.

11 RENTAL LEASE RECEIVABLES

The Group	2016 $'000	2015 $'000
Due after 1 year	**489**	787
Due within 1 year (Note 16)	**244**	330
	733	1,117

Rental lease incentives represent the aggregate cost of incentives provided to the lessees (Note 35.2(ii)) and are recognised as a reduction of rental income receivable over the lease term, on the straight-line basis.

12 LONG-TERM PREPAYMENTS AND DEPOSIT

The Group		2016 $'000	2015 $'000
Long-term prepayments and deposit comprise:			
Prepayments for construction of hotel resorts	(i)	**42,405**	33,522
Lease rent prepayments due after 1 year	(ii)	**8,095**	9,289
Long-term deposit for investment properties		**–**	752
		50,500	43,563

12 LONG-TERM PREPAYMENTS AND DEPOSIT (CONTINUED)

(i) Prepayments made to contractors for the construction of the hotel resorts in Bintan, Maldives and Tunisia.

(ii) Lease rent prepayments

The Group	2016 $'000	2015 $'000
Lease rent prepayments:		
Due after 1 year	**8,095**	9,289
Due within 1 year (Note 16)	**1,866**	1,888
	9,961	11,177
Lease rent prepayments:		
Balance at beginning	**11,177**	12,136
Additions	**1,054**	752
Exchange difference on translation	**140**	788
Amortisation charge	**(2,410)**	(2,499)
Balance at end	**9,961**	11,177

Prepayments made to the Government of Maldives for the lease of an island in the Maldives for the purpose of developing and operating a tourist resort. The lease is for a period of 50 years commencing 26 February 2008.

Prepayments made to the Government of Maldives for the lease of another island in the Maldives for the purpose of developing and operating a tourist resort. The lease is for a period of 50 years commencing from 10 July 2011.

Long-term prepayments are charged to profit or loss on the straight-line basis over the lease term of 50 years.

13 DEFERRED INCOME TAXES

The Group	2016 $'000	2015 $'000
Deferred income tax assets		
– To be recovered within one year	**–**	–
– To be recovered after one year	**1,088**	2,575
	1,088	2,575
Deferred income tax liabilities		
– To be settled within one year	**2,259**	2,394
– To be settled after one year	**5,090**	5,828
	7,349	8,222

Movements in deferred income tax accounts are as follows:

The Group	2016 $'000	2015 $'000
Deferred income tax assets		
Balance at beginning	**(2,575)**	(5,614)
Exchange difference on translation	**(37)**	645
Tax (credited)/charged to profit or loss (Note 31)		
– current year	**(619)**	278
– over provision in respect of previous years	**2,143**	2,116
Balance at end	**(1,088)**	(2,575)
The balance comprises tax on unutilised tax losses which can be carried forward:		
– within 5 years	**–**	(461)
– indefinitely	**(1,088)**	(2,114)
	(1,088)	(2,575)
Deferred income tax liabilities		
Balance at beginning	**8,222**	7,260
Exchange difference on translation	**(64)**	(156)
Tax charged (from)/to profit or loss (Note 31)		
– current year	**(87)**	1,354
– over provision in respect of prior years	**(722)**	(236)
Balance at end	**7,349**	8,222

13 DEFERRED INCOME TAXES (CONTINUED)

The balance comprises tax on the following temporary differences:

The Group	Excess of net book value over tax written down value of qualifying property, plant and equipment and improvements to investment properties $'000	Gain on sale of properties $'000	Gain on revaluation of investment properties $'000	Unabsorbed tax losses $'000	Others $'000	Total $'000
At 1 January 2016	**8,252**	**397**	**2,039**	**(1,808)**	**(658)**	**8,222**
Charged/(credited) to profit or loss	**(844)**	**(72)**	**408**	**(972)**	**671**	**(809)**
Exchange difference on translation	**(111)**	**(43)**	**(274)**	**282**	**82**	**(64)**
At 31 December 2016	**7,297**	**282**	**2,173**	**(2,498)**	**95**	**7,349**
At 1 January 2015	6,884	523	1,939	(1,337)	(749)	7,260
Charged/(credited) to profit or loss	1,531	(121)	119	(483)	72	1,118
Exchange difference on translation	(163)	(5)	(19)	12	19	(156)
At 31 December 2015	8,252	397	2,039	(1,808)	(658)	8,222

The losses incurred by the Company, which is an investment holding company, are not available to offset against future taxable profits under relevant sections of the Income Tax Act.

At the end of the reporting period, there are no deferred tax liabilities on net investment in subsidiaries.

14 INVENTORIES

The Group	2016 $'000	2015 $'000
Inventories, at lower of cost and net realisable value		
Spare parts	**1,227**	1,139
Consumables	**1,742**	1,696
Food and beverages	**1,384**	1,415
	4,353	4,250
Cost of inventories included in materials and consumables used and changes in inventories of finished goods (Note 30)	**17,612**	18,663

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group	2016 $'000	2015 $'000
Held for trading – Quoted equity investments:		
Balance at beginning	**4,666**	3,661
Additions	**–**	2,440
Disposals	**–**	(1,387)
Fair value gain/(loss) recognised in profit or loss (Note 30)	**749**	(48)
Balance at end	**5,415**	4,666
Financial assets at fair value through profit or loss are analysed as follows:		
Quoted equity investments – Singapore	**579**	650
Quoted equity investments – United States	**4,836**	4,016
	5,415	4,666

The fair value of quoted equity investments is determined by reference to New York Stock Exchange quoted prices and Singapore Exchange Securities quoted prices.

16 TRADE AND OTHER RECEIVABLES

		The Company		The Group	
		2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables					
– third parties		**–**	–	**17,501**	20,380
– related company		**–**	–	**143**	148
– ultimate holding company		**–**	–	**2**	2
		–	–	**17,646**	20,530
Allowance for impairment of trade receivables		**–**	–	**(1,726)**	(1,688)
Net trade receivables	(i)	**–**	–	**15,920**	18,842
Other receivables					
Deposits		**1**	1	**534**	365
Staff loans		**–**	–	**137**	160
Tax recoverable		**–**	–	**6,161**	4,840
Prepayments		**116**	112	**2,134**	1,996
Rental lease receivables due within 1 year (Note 11)		**–**	–	**244**	330
Lease rent prepayments due within 1 year (Note 12)		**–**	–	**1,866**	1,888
Income receivable		**–**	–	**830**	857
Others		**–**	–	**1,007**	1,712
		117	113	**12,913**	12,148
Allowance for impairment of other receivables		**–**	–	**–**	(121)
Net other receivables	(ii)	**117**	113	**12,913**	12,027
Total	(i) + (ii)	**117**	113	**28,833**	30,869

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Singapore Dollar	**117**	113	**13,047**	13,550
Tunisian Dinar	**–**	–	**5,934**	4,766
Mauritian Rupee	**–**	–	**1,490**	1,548
Euro	**–**	–	**924**	1,665
United States Dollar	**–**	–	**5,635**	6,694
Australian Dollar	**–**	–	**1,124**	1,474
Others	**–**	–	**679**	1,172
	117	113	**28,833**	30,869

Trade receivables are usually due within 30 days and do not bear any effective interest rate.

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers. Impairment of trade receivables is made when certain debtors are identified to be irrecoverable.

Included in trade receivables is an amount of $145,000 (2015 – $150,000) owing by companies in which a director of the Company has interest.

Included in prepayments are prepaid expenses such as insurance and road taxes.

The credit risk for trade and other receivables based on the information provided to key management is as follows:

(i) Financial assets that are neither past due nor impaired

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Current				
– Trade receivables	**–**	–	**9,383**	14,052
– Other receivables	**1**	1	**411**	1,094
	1	1	**9,794**	15,146

Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

(ii) Financial assets that are past due but not impaired

The ageing analysis of trade receivables past due but not impaired is as follows:

The Group	2016 $'000	2015 $'000
Past due 0 to 30 days	**1,422**	762
Past due 31 to 60 days	**3,714**	3,163
Past due 61 to 90 days	**544**	378
Past due over 90 days	**857**	487
	6,537	4,790

The ageing analysis of other receivables past due but not impaired is as follows:

The Group	2016 $'000	2015 $'000
Past due 0 to 30 days	**751**	111
Past due 31 to 60 days	**–**	18
Past due 61 to 90 days	**–**	162
Past due over 90 days	**516**	731
	1,267	1,022

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due but not impaired. These receivables are mainly arising from customers that have a good collection track record with the Group.

(iii) Trade receivables that are past due and/or impaired

The ageing analysis of trade receivables determined to be impaired is as follows:

The Group	2016 $'000	2015 $'000
Past due 0 to 30 days	**2**	6
Past due 31 to 60 days	**219**	62
Past due 61 to 90 days	**257**	41
Past due over 90 days	**1,248**	1,579
	1,726	1,688

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

(iii) Trade receivables that are past due and/or impaired (Continued)

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

The Group	2016 $'000	2015 $'000
Gross amount	**1,726**	1,688
Less: Allowance for impairment of trade receivables	**(1,726)**	(1,688)
	–	–
Allowance for impairment of trade receivables		
Balance at beginning	**1,688**	1,865
Exchange difference on translation	**(111)**	18
Impairment for the year (Note 30)	**263**	–
Reversal of impairment (Note 30)	**–**	(151)
Allowance utilised	**(114)**	(44)
Balance at end	**1,726**	1,688

The impaired trade receivables arise mainly from sales to the customers which has suffered significant losses in its operations.

(iv) Other receivables that are past due and/or impaired

The ageing analysis of other receivables determined to be impaired is as follows:

The Group	2016 $'000	2015 $'000
Past due 0 to 30 days	**–**	–
Past due 31 to 60 days	**–**	–
Past due 61 to 90 days	**–**	–
Past due over 90 days	**–**	121
	–	121

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

(iv) Other receivables that are past due and/or impaired (Continued)

The carrying amount of other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

The Group	2016 $'000	2015 $'000
Gross amount	–	121
Less: Allowance for impairment of other receivables	–	(121)
	–	–
Allowance for impairment of other receivables		
Balance at beginning	**121**	264
Exchange difference on translation	–	(26)
Allowance for impairment (Note 30)	–	38
Allowance utilised	**(121)**	(155)
Balance at end	–	121

Impairment on other receivables is made on specific debts for which the directors of the Group are of the opinion that the debts are not recoverable.

17 ADVANCES TO/FROM SUBSIDIARIES (NON-TRADE)

Advances to subsidiaries (non-trade)

The Company	2016 $'000	2015 $'000
Advances to subsidiaries	**30,691**	43,884
Allowance for impairment	**(15,536)**	(15,029)
	15,155	28,855
The movement in the allowance for impairment is as follows:		
Balance at beginning	**15,029**	14,869
Allowance of impairment	**507**	160
Balance at end	**15,536**	15,029

The advances to subsidiaries represent advances which are unsecured and interest-free. They have no repayment terms and are repayable only when the cash flows of the borrowers permit.

17 ADVANCES TO/FROM SUBSIDIARIES (NON-TRADE) (CONTINUED)

Impairment on advances to subsidiaries has been made on specific debts for which the directors of the Company are of the opinion that the debts are not recoverable. Impairment is reversed only when the financial performances of the subsidiaries have improved and the directors are of the opinion that the debts are recoverable.

Advances to subsidiaries are denominated in the following currencies:

The Company	2016 $'000	2015 $'000
Singapore Dollar	**4,864**	6,767
Mauritian Rupee	**–**	2,121
Australian Dollar	**564**	–
United States Dollar	**9,727**	19,967
	15,155	28,855

Advances from subsidiaries (non-trade)

The advances from subsidiaries represent advances which are unsecured and interest-free. They have no repayment terms and are repayable only when the cash flows of the Company permits.

Advances from subsidiaries are denominated in the following currencies:

The Company	2016 $'000	2015 $'000
Singapore Dollar	**243,978**	153,225
Mauritian Rupee	**1,767**	–
	245,745	153,225

18 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Fixed deposits	**65,400**	–	**73,556**	9,013
Cash and bank balances	**2,636**	1,712	**20,700**	22,169
	68,036	1,712	**94,256**	31,182

18 CASH AND CASH EQUIVALENTS (CONTINUED)

For the purpose of presenting the consolidated cash flow statement, the year-end cash and cash equivalents comprise the following:

The Group	2016 $'000	2015 $'000
Fixed deposits	**73,556**	9,013
Cash and bank balances	**20,700**	22,169
	94,256	31,182
Less: Bank overdrafts (Note 22)	**(127)**	(431)
	94,129	30,751

Cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Singapore Dollar	**66,854**	935	**83,938**	13,454
Tunisian Dinar	**–**	–	**2,487**	6,275
Mauritian Rupee	**–**	–	**880**	344
Euro	**413**	525	**2,468**	1,769
United States Dollar	**102**	147	**2,050**	1,857
Australian Dollar	**13**	82	**1,010**	6,384
Others	**654**	23	**1,423**	1,099
	68,036	1,712	**94,256**	31,182

The fixed deposits mature between 1 and 11 months (2015 – 3 and 4.5 months) from the end of the financial year with the following weighted average effective interest rates per annum:

	The Company		The Group	
	2016 %	2015 %	2016 %	2015 %
Singapore Dollar	**0.59**	–	**0.59**	0.25
Tunisian Dinar	**–**	–	**6.95**	7.67

Fixed deposits are recallable on demand by the Group based on the cash flows requirements of the Group without incurring any significant penalties and interest costs.

19 NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

Non-current assets classified as held-for-sale relates to a villa in Tunisia which is pending legal completion with local authorities for the transfer of ownership.

20 SHARE CAPITAL

	No. of ordinary shares		Amount	
	Issued share capital	Company shares	Share capital	Company shares
The Company and The Group			$'000	$'000
2016				
Balance at beginning	**402,167,668**	**–**	**254,139**	**254,139**
Shares repurchased	**–**	**98,500**	**–**	**119**
Shares cancelled	**(98,500)**	**(98,500)**	**–**	**(119)**
Balance at end of year	**402,069,168**	**–**	**254,139**	**254,139**
2015				
Balance at beginning and end of year	402,167,668	–	254,139	–

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the financial year ended 31 December 2016, the Company repurchased 98,500 ordinary shares paid for in cash. These shares were then cancelled.

21 OTHER RESERVES

The Group	2016 $'000	2015 $'000
Fair value reserve	**(178)**	24,072
Exchange fluctuation reserve	**(40,255)**	(44,506)
Revaluation surplus reserve	**5,730**	13,583
Premium paid on acquisition of non-controlling interests	**(37,607)**	(37,112)
Hedging reserve	**(181)**	(97)
	(72,491)	(44,060)
Represented by:		
Non-distributable	**(72,491)**	(44,060)

21 OTHER RESERVES (CONTINUED)

The movements in other reserves are as follows:

		2016	2015
	The Group	**$'000**	**$'000**
(i)	**Fair value reserve**		
	Balance at beginning	**24,072**	7,662
	Available-for-sale financial assets		
	– Fair value (losses)/gains (Note 8)	**(6,093)**	16,410
	– Fair value gain recycled to profit or loss upon disposal of available-for-sale financial assets (Note 8)	**(18,157)**	–
		(24,250)	16,410
	Balance at end	**(178)**	24,072

The fair value reserve arises from surplus on revaluation of available-for-sale investments held as at the end of reporting period.

		2016	2015
	The Group	**$'000**	**$'000**
(ii)	**Exchange fluctuation reserve**		
	Balance at beginning	**(44,506)**	(46,235)
	Net currency translation differences of financial statements of foreign subsidiaries	**4,251**	1,729
	Balance at end	**(40,255)**	(44,506)

Exchange fluctuation reserve arises from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the functional currency of the Company.

		2016	2015
	The Group	**$'000**	**$'000**
(iii)	**Revaluation surplus reserve**		
	Balance at beginning	**13,583**	13,583
	Transfer of revaluation surplus reserve to retained profits upon disposal of investment properties	**(7,853)**	–
	Balance at end	**5,730**	13,583

Revaluation surplus reserve arises from the revaluation of property, plant and equipment prior to its reclassification to investment properties during the financial year ended 31 December 2010 in accordance with the requirements of FRS 40.

21 OTHER RESERVES (CONTINUED)

The Group	2016 $'000	2015 $'000
(iv) Premium paid on acquisition of non-controlling interests		
Balance at beginning	**(37,112)**	(37,112)
Change in interest of a subsidiary (Note 6)	**(495)**	–
Balance at end	**(37,607)**	(37,112)

Premium paid on acquisition of non-controlling interests relates to the changes in a parent's ownership in a subsidiary that do not result in the parent losing control of the subsidiary and are reflected as equity transactions. Please refer to Note 6 to the financial statements on Acquisition of non-controlling interests.

The Group	2016 $'000	2015 $'000
(v) Hedging reserve		
Balance at beginning	**(97)**	–
Cash flow hedge		
– Fair value gains	**(84)**	(97)
Balance at end	**(181)**	(97)

Hedging reserve arises from the revaluation of derivative financial instrument (Note 24).

22 BORROWINGS

	The Company		The Group	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-Current				
Obligations under finance leases	**–**	–	**11**	383
Bank borrowings – secured	**60,000**	–	**120,403**	62,545
	60,000	–	**120,414**	62,928
Current				
Obligations under finance leases	**–**	–	**10**	2,232
Bank overdrafts – unsecured	**–**	–	**127**	431
Bank borrowings – secured	**77,504**	118,452	**99,841**	176,840
	77,504	118,452	**99,978**	179,503
Total borrowings	**137,504**	118,452	**220,392**	242,431

22 BORROWINGS (CONTINUED)

The exposure of the borrowings of the Group and of the Company to interest changes at the balance sheet date are as follows:

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Obligations under finance leases on fixed interest rate (Note 22.1)	**–**	–	**21**	2,615
Bank borrowings on variable interest rate (Note 22.2(i))	**137,504**	98,452	**220,371**	219,816
Bank borrowings on fixed interest rate (Note 22.2(ii))	**–**	20,000	**–**	20,000
	137,504	118,452	**220,392**	242,431

22.1 Obligations under finance leases

The Group	2016 $'000	2015 $'000
Minimum lease payments payable:		
Due not later than one year	**10**	2,306
Due later than one year and not later than five years	**11**	389
	21	2,695
Less: Finance charges allocated to future periods	**–**	(80)
Present value of minimum lease payments	**21**	2,615
Present value of minimum lease payments:		
Due not later than one year	**10**	2,232
Due later than one year and not later than five years	**11**	383
	21	2,615

The Group leases compactors and motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term. The finance lease obligations are secured by the underlying assets (Note 5(d)).

22 BORROWINGS (CONTINUED)

22.2 Bank borrowings and bank overdrafts

(i) The exposure of the bank borrowings and bank overdrafts of the Group and of the Company to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
6 months or less	**77,504**	98,452	**99,290**	156,531
6 – 12 months	**–**	–	**678**	740
1 – 5 years	**60,000**	–	**119,659**	61,219
> 5 years	**–**	–	**744**	1,326
	137,504	98,452	**220,371**	219,816

Interest is repriced on monthly basis.

(ii) Bank borrowings amounting to $Nil (2015 – $20,000,000) were on fixed interest rates and were not subject to monthly interest repricing.

(iii) The bank borrowings are repayable on monthly or quarterly basis between the earliest date in 2017 and the latest date in 2025 and are secured by:

- a foreign subsidiary's freehold land and buildings, equipment (Note 5(c)) and business;
- a local subsidiary's investment property (Note 4(d)), including rental proceeds, interests in tenancy agreements and insurance policies;
- a local subsidiary's hotel (Note 5(c)), including rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies; and
- a foreign subsidiary's hotel (Note 5(c)), including rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies.

The amount repayable within 12 months is included under current liabilities whilst the amount repayable after one year is included under non-current liabilities.

22 BORROWINGS (CONTINUED)

22.3 Currency risk

Total borrowings are denominated in the following currencies:

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Singapore Dollar	**110,000**	118,452	**110,000**	135,985
United States Dollar	**27,504**	–	**27,829**	336
Tunisian Dinar	**–**	–	**7,569**	10,067
Australian Dollar	**–**	–	**74,994**	96,043
	137,504	118,452	**220,392**	242,431

22.4 Effective interest rates

The weighted average effective interest rates (per annum) of total borrowings at the end of reporting period are as follows:

	The Company		The Group	
	2016	2015	2016	2015
Bank overdrafts	**–**	–	**6.80% – 7.10%**	5.88% – 6.75%
Bank borrowings	**0.82% – 2.92%**	1.00% – 2.85%	**0.82% – 7.10%**	1.00% – 8.48%
Obligations under finance leases	**–**	–	**8.70%**	2.12%

22.5 Carrying amounts and fair values

Fair values of borrowings

The carrying amounts of current borrowings approximate their fair values. The carrying amounts and fair values of non-current borrowings are as follows:

	The Company		The Group	
	Carrying amounts	Fair values	Carrying amounts	Fair values
	$'000	$'000	$'000	$'000
2016				
Bank borrowings – secured	**60,000**	**60,001**	**120,403**	**120,118**
Obligations under finance leases	**–**	**–**	**11**	**11**
2015				
Bank borrowings – secured	–	–	62,545	62,128
Obligations under finance leases	–	–	383	389

22 BORROWINGS (CONTINUED)

22.5 Carrying amounts and fair values (Continued)

Fair values of borrowings (Continued)

The fair values above are determined from the discounted cash flow analysis, discounted at market borrowing rates (per annum) of an equivalent instrument at the end of reporting period which the directors expect to be available to the Group as follows:

	The Company		The Group	
	2016	2015	2016	2015
Obligations under finance leases	**–**	–	**8.70%**	2.12%
Bank borrowings – secured	**2.69%**	–	**2.91%**	5.42%

23 LONG-TERM LIABILITIES

Long-term liabilities relate mainly to deferred lease incentive of an island in the Maldives (Note 12) and in Zanzibar and provision for dismantlement and restoration cost for leased land which are as follows:

The Group	2016 $'000	2015 $'000
Deferred lease incentive	**9,075**	9,385
Long-term payables (retention sums)	**6,008**	2,977
Provision for dismantlement and restoration cost	**740**	740
Long-term end of service benefits	**547**	509
	16,370	13,611

Long term payables relate to retention sums payable to contractors for construction of hotel resorts in Bintan and Maldives.

The movement in provision for dismantlement and restoration cost is as follows:

	2016 $'000	2015 $'000
Balance at beginning and at end of the year	**740**	740

A provision for dismantlement and restoration cost is recognised for the expected costs associated with restoring the leasehold land on expiry of lease on 30 November 2030 from JTC Corporation to its original condition based on the requirements of the lease contract. Provision for dismantlement and restoration cost is the present value of the estimated costs of dismantlement, removal and restoration recognised at the inception to be incurred for the leased land at 8 Tuas South Street 13 [Note 5(b)(v)], which is obtained from a third party contractor. The Group assumed that the leased land will be restored using technology and materials that are currently available. The unwinding of discount during the year is considered as insignificant. The total expected costs to be incurred is $1,105,000 (2015 – $1,210,000).

24 DERIVATIVE FINANCIAL INSTRUMENT

The Group	Contract notional amount $'000	Fair value Asset $'000	Fair value Liability $'000
2016			
Cash-flow hedges			
– Interest rate swaps	**42,236**	**–**	**(181)**
Total	**42,236**	**–**	**(181)**
Less: Current portion	**–**	**–**	**89**
Non-current portion	**42,236**	**–**	**(92)**
2015			
Cash-flow hedge			
– Interest rate swap	29,320	–	(97)
Total	29,320	–	(97)
Less: Current portion	–	–	31
Non-current portion	29,320	–	(66)

The interest rate swaps were entered by a foreign subsidiary, Bonaventure (Perth) Pty Ltd as trustee for Bonaventure (Perth) Trust to hedge against its bank borrowing.

The interest rate swaps were transacted to hedge variable monthly interest payments on borrowing and will mature on the respective dates of 14 January 2019 and 14 May 2019. Fair value gains and losses on the interest rate swaps recognised in the other comprehensive income are reclassified to profit or loss as part of interest expense over the period of the borrowing.

25 GRATUITY ON RETIREMENT

The Group	2016 $'000	2015 $'000
Present value of obligation at 1 January	**537**	526
Current service cost	**48**	38
Actuarial gain/(loss) in defined benefit plans	**57**	(1)
Interest expense	**37**	33
Actuarial gain in past service cost	**(18)**	(15)
Payment	**(6)**	(10)
Exchange difference on translation	**7**	(34)
Present value of obligation at 31 December	**662**	537

25 GRATUITY ON RETIREMENT (CONTINUED)

The amount recognised in the consolidated statement of profit or loss and other comprehensive income is as follows:

The Group	2016 $'000	2015 $'000
At 1 January	**537**	526
Charged to profit or loss	**124**	57
Payment	**(6)**	(12)
Exchange difference on translation	**7**	(34)
At 31 December	**662**	537

Gratuity on retirement is denominated in Mauritian Rupee.

The significant actuarial assumptions are as follows:

(i) Financial assumptions

Discount rate (per annum)	6% (2015 – 7%)
Salary increase (per annum)	5% (2015 – 5%)

(ii) A special set of assumptions which takes into account the probability of a retrenchment exercise occurring in the Group have been used. Under these assumptions, the probability of withdrawal is as follows:

Age now (years)	Probability of withdrawal
Up to 40	20%
Up to 45	2%
45 – 60	0%

(iii) The sensitivity of the gratuity on retirement to changes in the weighted principal assumptions is:

	Impact on Gratuity on Retirement		
	Change in assumption	Increase in assumption $'000	Decrease in assumption $'000
Discount rate	1%	(92)	111
Salary	1%	111	(94)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the gratuity on retirement to significant actuarial assumptions, the same method (present value of the gratuity on retirement calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statements of financial position. The method and type of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

26 TRADE AND OTHER PAYABLES

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade payables	**–**	–	**17,762**	19,386
Rental deposits	**–**	–	**5,866**	6,643
Liabilities incurred for capital expenditure	**–**	–	**5,064**	6,360
Deferred income	**–**	–	**34**	387
Social security contributions	**–**	–	**1,167**	1,473
Employee benefits	**15**	18	**1,575**	1,365
GST payable	**–**	–	**926**	4
Other taxes payable	**–**	–	**939**	2,013
Advance payments received	**–**	–	**3,742**	3,515
Accrued staff costs	**324**	289	**2,811**	3,436
Accrued operating expenses	**653**	615	**9,750**	5,690
	992	922	**49,636**	50,272

The fair values of trade and other payables have not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the statements of financial position to be reasonable approximation of their fair values.

Advance payments received relate to advance payments received from tour operators.

Accrued operating expenses relate to operating expenses such as utilities, advertising, legal and professional expenses.

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Singapore Dollar	**992**	922	**24,673**	23,769
Tunisian Dinar	**–**	–	**6,943**	8,209
Mauritian Rupee	**–**	–	**4,646**	3,728
United States Dollar	**–**	–	**10,351**	10,930
Australian Dollar	**–**	–	**1,591**	2,208
Others	**–**	–	**1,432**	1,428
	992	922	**49,636**	50,272

Further details of liquidity risks on trade and other payables are disclosed in Note 40.5.

27 OTHER INCOME

The Group	2016 $'000	2015 $'000
Net fair value gain of investment properties (Note 4)	**–**	42,739
Interest income	**352**	442
Gain on disposal of property, plant and equipment (Note 30)	**–**	200
Fair value gain on financial assets at fair value through profit or loss (Note 15)	**749**	–
Management fee charged to related party companies	**286**	290
Gain on disposal of investment properties (Notes 4(a) and 30)	**19,373**	–
Gain on disposal of available-for-sale financial assets (Note 30)	**30,087**	–
Government grants on special employment benefits	**3,131**	2,161
Others	**499**	487
	54,477	46,319

28 EMPLOYEE BENEFIT COSTS

The Group	2016 $'000	2015 $'000
Directors		
– Salaries and related costs		
– Directors of the Company	**1,260**	1,171
– Directors of subsidiaries	**1,582**	1,568
– Defined contributions	**70**	63
	2,912	2,802
Other than directors		
– Salaries and related costs	**72,010**	62,926
– Defined contributions	**6,298**	6,272
	78,308	69,198
	81,220	72,000

The Group regards the executive directors of the Company and of its subsidiaries as key management personnel.

29 OTHER OPERATING EXPENSES

The Group	2016 $'000	2015 $'000
Impairment of goodwill (Note 7)	**4,197**	–
Dumping fees	**18,139**	17,449
Repair and maintenance	**8,664**	8,753
Utilities	**4,986**	5,786
Marketing	**5,892**	5,144
Property tax	**4,124**	3,984
Labour and sub-contractor charges	**3,103**	3,053
Distillate and service fee	**2,055**	2,189
Operating lease rental expense (Note 30)	**1,665**	1,731
Credit card commission	**2,550**	1,763
Equipment expenses	**2,341**	1,752
Insurance	**1,555**	1,305
Licence fees	**1,124**	1,113
Operating supplies	**2,055**	806
Property, plant and equipment written off (Note 30)	**600**	679
Loss on disposal of property, plant and equipment (Note 30)	**269**	–
Allowance for impairment loss on property, plant and equipment	**–**	10,490
Acquisition costs of a subsidiary	**–**	5,116
Foreign exchange loss (Note 30)	**2,497**	1,791
Net fair value loss of investment properties (Notes 4 and 30)	**1,962**	–
Professional fees	**3,275**	2,566
Directors' fees	**317**	302
Travelling expenses	**984**	868
Entertainment	**895**	363
IT expenses	**452**	245
Upkeep of office and hotel premises	**549**	605
Bank charges	**419**	336
Others	**8,165**	8,209
	82,834	86,398

Other expenses comprise mainly of compliance expenses and hotel related operating costs such as room amenities, laundry and training expenses.

30 PROFIT BEFORE TAXATION

The Group	Note	2016 $'000	2015 $'000
Profit before taxation has been arrived at after charging:			
Allowance for impairment of trade receivables	16	**263**	–
Allowance for impairment of other receivables	16	**–**	38
Inventories written down		**–**	92
Depreciation of property, plant and equipment	5	**23,197**	18,562
Directors' remuneration			
Directors of the Company			
– fees		**202**	202
– other emoluments	28	**1,292**	1,200
Other directors of subsidiaries			
– fees		**115**	100
– other emoluments	28	**1,620**	1,602
Finance costs			
– bank overdrafts		**41**	77
– bank borrowings		**5,473**	3,499
– others		**79**	121
		5,593	3,697
Foreign exchange loss	29	**2,497**	1,791
Loss/(gain) on disposal of property, plant and equipment	27, 29	**269**	(200)
Audit fee			
– Auditor of the Company		**356**	376
– Other auditors		**306**	261
Non-audit fee			
– Auditor of the Company		**22**	41
– Other auditors		**167**	98
Net fair value loss/(gain) of investment properties	4, 29	**1,962**	(42,739)
Cost of inventories included in materials and consumables used and changes in inventories of finished goods	14	**17,612**	18,663
Operating lease rental expense	29	**1,665**	1,731
Property, plant and equipment written off	29	**600**	679
Replaced components of improvements to investment properties written off	4	**87**	251
Impairment of property, plant and equipment	5	**–**	10,490
and crediting:			
Fair value gain/(loss) on financial assets at fair value through profit or loss	15	**749**	(48)
Gain on disposal of investment properties	27	**19,373**	–
Gain on disposal of available-for-sale financial assets	27	**30,087**	–
Gross dividends received from quoted equity investments		**73**	4,430
Interest income			
– fixed deposits		**297**	416
– others		**55**	26
		352	442
Write-back of allowance of obsolete inventories		**19**	–
Rental income	4	**27,206**	25,723
Reversal of impairment of trade receivables	16	**–**	151

31 TAXATION

The Group	2016 $'000	2015 $'000
Current taxation	**6,974**	6,201
Transfer (to)/from deferred income tax liabilities (Note 13)	**(87)**	1,354
Transfer (to)/from deferred income tax assets (Note 13)	**(619)**	278
	6,268	7,833
(Over)/under provision in respect of previous years		
– current taxation	**748**	(481)
– deferred income tax liabilities (Note 13)	**(722)**	(236)
– deferred income tax assets (Note 13)	**2,143**	2,116
	2,169	1,399
	8,437	9,232

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax is as follows:

The Group	2016 $'000	2015 $'000
Profit before taxation	**64,647**	59,250
Tax at domestic rate applicable to profits in the countries concerned(1)	**9,852**	5,380
Singapore statutory stepped income exemption	**(183)**	(201)
Tax effect:		
– fair value gain on investment properties	**–**	(7,062)
– other non-taxable income(2)	**(9,226)**	(3,227)
– non-deductible expenses(3)	**5,551**	11,090
– enhanced allowance under Productivity and Innovation Credit	**(408)**	–
Tax incentive	**(130)**	(218)
Tax rebate	**(133)**	(129)
Deferred income tax assets on temporary differences not recognised	**310**	1,356
Others	**635**	844
	6,268	7,833
Under provision in prior years	**2,169**	1,399
	8,437	9,232

(1) This is prepared by aggregating separate reconciliations for each national jurisdiction.
(2) This relates to capital gain not subject to tax.
(3) This relates to disallowed expenditure incurred in the ordinary course of business.

Subject to agreement with the relevant tax authorities, the Group has unabsorbed capital allowances and tax losses amounting of $909,000 (2015 – $909,000) and $40,681,000 (2015 – $41,319,000) respectively available for offset against future taxable income provided that the provisions of Sections 23 and 37 of the Singapore Income Tax Act, Cap. 134 and the relevant foreign tax regulations are complied with.

Unutilised tax benefits totalling approximately $7,070,000 (2015 – $7,179,000) arising from unabsorbed capital allowances and tax losses had not been recognised as there was no reasonable certainty of their realisation in the future periods.

The effective tax rate of the Group is 13% (2015 – 13%).

32 DIVIDENDS

The Company and The Group	2016 $'000	2015 $'000
Ordinary dividends paid:		
First and final tax-exempt (1-tier) dividend paid in respect of the previous financial year of 1.60 cents (2015 – 1.60 cents) per share	**6,435**	6,435
Ordinary dividends proposed:		
First and final tax-exempt (1-tier) dividend proposed of 1.60 cents (2015 – 1.60 cents) per share	**6,433**	6,435
Special dividends proposed:		
Special tax-exempt (1-tier) dividend proposed of 1.00 cent (2015 – Nil) per share	**4,021**	–
	10,454	6,435

At the forthcoming Annual General Meeting, a final tax-exempt (one-tier) dividend and special dividend of 1.60 cents (2015 – 1.60 cents) and 1.00 cent (2015 – $Nil) per share respectively amounting to $6,433,000 (2015 – $6,435,000) and $4,021,000 (2015 – $Nil) respectively will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 December 2016. The payment of this dividend will not have any tax consequences for the Group.

33 OTHER COMPREHENSIVE (EXPENSES)/INCOME AFTER TAX

Disclosure of tax effects relating to each component of other comprehensive income:

The Group	2016 Before tax $'000	2016 Tax expense $'000	2016 Net of tax $'000
Available-for-sale financial assets:			
– Fair value losses	**(6,093)**	**–**	**(6,093)**
– Fair value gain recycled to profit or loss upon disposal of available-for-sale financial assets	**(18,157)**	**–**	**(18,157)**
	(24,250)	**–**	**(24,250)**
Currency translation difference on foreign operations	**4,208**	**–**	**4,208**
Cash flow hedges	**(84)**	**–**	**(84)**
	(20,126)	**–**	**(20,126)**

	2015 Before tax $'000	2015 Tax expense $'000	2015 Net of tax $'000
Available-for-sale financial assets:			
– Fair value gains	16,410	–	16,410
Currency translation difference on foreign operations	1,723	–	1,723
Cash flow hedges	(97)	–	(97)
	18,036	–	18,036

34 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue of 402,131,084 (2015 – 402,167,668) shares during the financial year.

	2016	2015
The Company		
Net profit attributable to equity holders of the Company ($'000)	**54,907**	48,843
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**402,131**	402,168
Basic earnings per share (cents per share)	**13.66**	12.14
Diluted earnings per share (cents per share)	**13.66**	12.14

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the period, adjusted by the repurchase and cancellation of ordinary shares (Note 20) during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the ordinary shares are outstanding as a proportion of the total number of days in the year.

For the purpose of calculating diluted earnings per share, profit attributable to owners of the parent of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential shares. As there are no dilutive potential ordinary shares that were outstanding during the year, the basic earnings per share is therefore the same as the diluted earnings per share.

35 COMMITMENTS

35.1 Capital commitments

The Group	2016 $'000	2015 $'000
Capital expenditure contracted for purchase of property, plant and equipment	**95,214**	143,961
Acquisition of properties in Perth Australia	**–**	14,285
	95,214	158,246

35 COMMITMENTS (CONTINUED)

35.2 Operating lease commitments (non-cancellable)

(i) Where the Group is the lessee

At the end of the reporting period, the Group is committed to making the following rental payments in respect of non-cancellable operating leases for land, staff accommodation, office equipment and plant and equipment with an original term of more than one year:

The Group	2016 $'000	2015 $'000
Not later than one year	**2,249**	2,108
Later than one year and not later than five years	**13,923**	14,319
Later than five years	**108,795**	109,694

The leases on the Group's land on which rentals are payable will expire between 30 November 2030 and 18 July 2068 (2015 – 30 November 2030 and 18 July 2068). The current rent payable on the leases are between $5,771 and $72,186 (2015 – $5,273 and $65,205) per month which are subject to revision on renewal.

The leases for the Group's staff accommodation on which rentals are payable will expire between 24 March 2017 and 31 December 2018 (2015 – 9 January 2016 and 4 January 2017). The current rent payable on the leases are between $1,950 and $3,200 (2015 – $1,000 and $6,000) per month which are subject to revision on renewal.

The leases on the Group's office equipment and plant and equipment on which rentals are payable will expire on 14 June 2020 (2015 – 14 June 2020). The current rent payable on the leases is $245 (2015 – $245) per month which is subject to revision on renewal.

(ii) Where the Group is the lessor

The Group leases out commercial/residential premises to non-related parties under non-cancellable operating leases with term of more than one year.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of reporting period but not recognised as receivables, are as follows:

The Group	2016 $'000	2015 $'000
Not later than one year	**23,014**	25,768
Later than one year and not later than five years	**41,021**	54,756
Later than five years	**133**	1,320

The leases on the Group's investment properties on which rentals are received will expire between 10 January 2017 and 1 April 2021 (2015 – 29 February 2016 and 14 April 2021) with renewals at the then prevailing rates. The current rent receivable on the leases are between $191 and $455,790 (2015 – $1,300 and $455,790) per month which are subject to revision on renewal.

36 OTHER MATTERS

The Company

The Company has given letters of financial support for the following subsidiaries with a total net deficit of approximately $44,155,000 (2015 – $76,713,000) to continue to operate as a going concern and to meet their respective obligations as and when they fall due:

1. Bonaventure (Maldives) Pvt Ltd
2. Bonavista (Maldives) Pvt Ltd
3. Bonvests Trading Pte Ltd
4. Bonswiss Pte Ltd
5. Bonforte Investments Pte Ltd
6. Bonfresh Pte Ltd
7. Claridges Pte Ltd (formerly known as Brooklyn Bagels Pte Ltd)
8. Cenizaro Pte Ltd
9. Colex Compost Pte Ltd
10. Goldprime Pte Ltd
11. Henrick (S) Pte Ltd
12. Hotel & Property Development (Kendwa) Limited
13. Magnificent Developments Pte Ltd
14. The Residence Hotels and Resorts Management Services Pte Ltd
15. The Allied Folks Pte Ltd (formerly known as Bonconcept Restaurants Pte Ltd)
16. Bonaventure (Australia) Group
17. Bonsworth Development Pte Ltd
18. Goldpoint Pte Ltd
19. Goldview Pte Ltd
20. PT Bintan Vista
21. STIC Group of Companies

The Group

As at 31 December 2016, there were guarantees issued by certain financial institutions in favour of third parties on behalf of certain subsidiaries of the Group amounting to $9,052,000 (2015 – $8,980,000). These bank guarantees are secured by:

(a) fixed and floating charge over the assets and undertakings of certain subsidiaries;

(b) first legal mortgage of the investment property at 541 Orchard Road, Singapore (Note 4(d)) and a subsidiary's freehold land and buildings and equipment (Note 5(c)); and

(c) assignment of rental proceeds and interests in tenancy agreements and insurance policies of the investment property at 541 Orchard Road, Singapore (Note 4(d)).

36 OTHER MATTERS (CONTINUED)

The Group (Continued)

The Group has given corporate guarantees to banks amounting to $17,200,000 (2015 – $17,200,000) in respect of banker's guarantees and overdraft facilities granted to subsidiaries, Integrated Property Management Pte Ltd and Colex Environmental Pte Ltd, for which the Group is exposed to liability of $8,673,000 (2015 – $8,536,000) as at 31 December 2016.

As at 31 December 2016 and at 31 December 2015, the fair values of the corporate guarantees determined based on the expected loss arising from the risk of default are insignificant.

37 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties at agreed rates:

(a) Sales and purchases of goods and services

	2016 $'000	2015 $'000
Cleaning service fee and waste disposal fee income from a company in which a director has interest	**231**	223
Management fee income from:		
– Ultimate holding company	**3**	17
– Company in which a director has interest	**283**	272
Sale of goods to company in which a director has interest	**28**	6
Rental income from a company in which a director has interest	**20**	19
Rental expense paid to a company in which a director has interest	**9**	9
Cleaning service to a director	**7**	7

(b) Transactions with key management personnel

The key management's remuneration include fees, salary, bonus, commission and other emoluments (including benefits-in-kind) is computed based on the cost incurred by the Group. The key management's remuneration is as follows:

The Group	2016 $'000	2015 $'000
Key management of the Group:		
– directors of the Company	**1,292**	1,200
– directors of subsidiaries	**1,620**	1,602

38 OPERATING SEGMENT

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's reportable operating segments are as follows:

(i) Rental

Operations in this segment comprise the owning and letting of properties.

(ii) Hotel

Activities in this segment include development and operation of hotels and a golf course.

(iii) Industrial

This segment of activities covers collection and disposal of waste and contract cleaning.

(iv) Investment

These activities relate to securities trading and investment holding.

(v) Development

Activities in this segment include the development of properties.

(vi) Others

Operations in this segment include mainly the provision of management services and the operation of restaurant. Unallocated net expenses incurred by the Company are included here.

Except as indicated above, there are no operating segments that have been aggregated to form the above reportable operating segments.

The Managing Director monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items comprise mainly expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Group financing and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

38 OPERATING SEGMENTS (CONTINUED)

Business Segments

	Rental		Hotel		Industrial	
	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue						
External revenue	**27,206**	25,723	**123,593**	115,709	**68,809**	65,001
Inter-segment revenue	**182**	–	**1,405**	1,675	**1,068**	1,059
Total revenue	**27,388**	25,723	**124,998**	117,384	**69,877**	66,060
Result						
Segment results	**19,448**	17,796	**21,595**	24,603	**10,326**	9,716

	Investment		Development		Others		Eliminations		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	73	5,818	**–**	–	**945**	–	**–**	–	**220,626**	212,251
	–	–	**–**	–	**24,667**	1,332	**(27,322)**	(4,066)	**–**	–
	73	5,818	**–**	–	**25,612**	1,332	**(27,322)**	(4,066)	**220,626**	212,251
	30,852	4,111	**(8)**	(8)	**(2,342)**	(2,284)	**–**	–	**79,871**	53,934
Gain on disposal of investment properties									**19,373**	–
Net fair value (loss)/gain on investment properties									**(1,962)**	42,739
Depreciation of property, plant and equipment									**(23,197)**	(18,562)
Acquisition costs for acquiring a subsidiary									**–**	(5,116)
Impairment of										
– goodwill									**(4,197)**	–
– property, plant and equipment									**–**	(10,490)
Finance costs									**(5,593)**	(3,697)
Interest income									**352**	442
Taxation									**(8,437)**	(9,232)
Total profit for the year									**56,210**	50,018
Non-controlling interests									**(1,303)**	(1,175)
Net profit attributable to owners of the parent									**54,907**	48,843

38 OPERATING SEGMENTS (CONTINUED)

	Rental		Hotel		Industrial	
	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000
Segment assets	**517,322**	551,691	**564,525**	550,184	**44,115**	40,727
Unallocated assets						
– deferred tax assets						
– tax receivable						
Consolidated total assets						
Segment liabilities	**8,305**	13,755	**131,152**	161,299	**6,907**	9,358
Unallocated liabilities						
– deferred tax liabilities						
– GST payable						
– current tax payable						
– other tax payable						
Consolidated total liabilities						
OTHER SEGMENT INFORMATION						
Capital expenditure						
– property, plant and equipment	**56**	80	**39,669**	27,915	**2,265**	2,215
– investment properties	**15,897**	8,059	**–**	–	**–**	–
Depreciation of property, plant and equipment	**87**	35	**19,764**	15,580	**3,055**	2,920
Property, plant and equipment written off	**1**	2	**489**	603	**106**	74
Fair value (gain)/loss on financial assets at fair value through profit or loss	**–**	–	**–**	–	**–**	–
Fair value gain recycled to profit or loss upon disposal of available-for-sale financial assets	**–**	–	**–**	–	**–**	–
Gain on disposal of available-for-sale financial assets	**–**	–	**–**	–	**–**	–
	–	–	**–**	–	**–**	–
Gain on disposal of investment properties	**(19,373)**	–	**–**	–	**–**	–
Net fair value loss/(gain) of investment properties	**1,962**	(42,739)	**–**	–	**–**	–

Investment		Development		Others		Consolidated	
2016	2015	2016	2015	2016	2015	2016	2015
$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
8,599	49,214	**15**	13	**69,965**	2,816	**1,204,541**	1,194,645
						1,088	2,575
						6,161	4,840
						1,211,790	1,202,060
341	1,118	**8**	8	**138,663**	119,393	**285,376**	304,931
						7,349	8,222
						926	4
						7,907	6,261
						939	2,013
						302,497	321,431
–	–	**–**	–	**914**	808	**42,904**	31,018
–	–	**–**	–	**–**	–	**15,897**	8,059
–	–	**–**	–	**291**	27	**23,197**	18,562
–	–	**–**	–	**4**	–	**600**	679
(749)	48	**–**	–	**–**	–	**(749)**	48
(18,157)	–	**–**	–	**–**	–	**(18,157)**	–
(11,930)	–	**–**	–	**–**	–	**(11,930)**	–
(30,087)	–	**–**	–	**–**	–	**(30,087)**	–
–	–	**–**	–	**–**	–	**(19,373)**	–
–	–	**–**	–	**–**	–	**1,962**	(42,739)

38 OPERATING SEGMENTS (CONTINUED)

38.1 Geographical segments

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	2016 $'000	2015 $'000
Revenue		
Singapore	**148,465**	152,587
Tunisia	**10,974**	11,423
Mauritius	**16,520**	16,352
Zanzibar	**8,770**	7,711
Maldives	**16,400**	19,709
Australia	**19,497**	4,469
	220,626	212,251
Non-current assets		
Singapore	**659,604**	711,893
Tunisia	**48,353**	53,218
Mauritius	**14,837**	15,241
Zanzibar	**23,860**	24,448
Maldives	**188,537**	156,619
Australia	**98,535**	91,005
Indonesia	**40,786**	31,322
	1,074,512	1,083,746

All segment revenue and expense are directly attributable to the segments. There is no revenue from transactions with a single external customer that amounts to 10 per cent or more of the Group's revenues.

39 DISCLOSURE OF DIRECTORS' REMUNERATION

The following number of directors in the remuneration bands is disclosed in compliance with The SGX-ST Listing Manual:

	2016	2015
Remuneration bands		
$500,000 and above	**1**	1
$250,000 to $499,999	**1**	1
Below $250,000	**4**	3
	6	5

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company and the Group financial risk management policies set out the Company's and the Group's overall business strategies and its risk management philosophy. The Company and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group use financial instruments such as interest rate swap to hedge certain risk exposures.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Company's and the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

40.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising from bank borrowings, sales and purchases that are denominated in currencies other than the respective functional currencies of group entities, primarily Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly the Tunisian Dinar ("TD"), Mauritian Rupee ("MR"), Euro, Australian Dollar ("AUD") and United States Dollar ("USD"). Exposures to foreign currency risk are monitored on an ongoing basis.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

40.1 Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

If the TD, MR, Euro, AUD and USD all strengthened against the SGD by 5% (2015 – 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(Decrease)			
	2016		2015	
The Group	Profit net of tax $'000	Equity $'000	Profit net of tax $'000	Equity $'000
TD	**(451)**	**(451)**	(381)	(381)
MR	**(119)**	**(119)**	(88)	(88)
Euro	**123**	**123**	117	117
AUD	**(2,621)**	**(2,621)**	(3,184)	(3,184)
USD	**(1,233)**	**(1,233)**	(93)	(93)
Others	**45**	**45**	60	60
The Company				
Euro	**17**	**17**	22	22
AUD	**1**	**1**	3	3
USD	**(1,137)**	**(1,137)**	6	6
Others	**27**	**27**	1	1

If the TD, MR, Euro, AUD and USD weakened against the SGD by 5% (2015 – 5%) with all other variables including tax rate being held constant, it would have had the equal opposite effect on the amounts shown above, on the basis that all other variables remaining constant.

40.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from its debt obligations with financial institutions and its investment portfolio in fixed deposits. The Company's and the Group's policy is to manage interest costs by using a mix of fixed and floating rate debts.

The Company and the Group do not have any significant exposure to cash flow interest rate risk except for interest rate exposures to bank borrowings and bank overdrafts.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

40.2 Interest rate risk (Continued)

Sensitivity analysis for interest rate risk

At the end of reporting period, if SGD, TD, AUD and USD interest rates had been 50 (2015 – 50) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been higher/lower arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings:

	← Higher/(Lower) →	
	2016	**2015**
	Profit after tax	**Profit after tax**
The Group	**$'000**	**$'000**
SGD	**457**	564
TD	**28**	38
AUD	**275**	336
USD	**115**	1

40.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. The Company's and the Group's exposure to credit risk arises primarily from trade and other receivables, bank deposits and advances to subsidiaries.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except that the Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantee (see Note 36) at the reporting date for facilities drawn down by the subsidiaries is $8,673,000 (2015 – $8,536,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

The Company's and the Group's major classes of financial assets are trade and other receivables, deposits and bank deposits.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

40.3 Credit risk (Continued)

Exposure to credit risk (Continued)

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. There is no major customer to be reported. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that the counterparties fail to perform their obligations as of 31 December 2016 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statements of financial position. Cash is held with reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 16 to the financial statements.

40.4 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices. It represents the potential loss the Group might suffer through holding investments in the face of price movements. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector.

The Group is exposed to marketable securities price risk because of the investments held by the Group which are classified on the statements of financial position either as available-for-sale financial assets or financial assets at fair value through profit or loss. These securities are listed on the New York Stock Exchange and Singapore Exchange Securities.

The Group	2016 $'000	2015 $'000
Available-for-sale financial assets		
– Listed in Singapore	**3,108**	44,516
Financial assets at fair value through profit or loss		
– Listed in Singapore	**579**	650
– Listed in the United States	**4,836**	4,016
	5,415	4,666
Total equity securities	**8,523**	49,182

The Group is not exposed to commodity price risk. The Group has in place a set of internal controls to manage its market price risk arising from investments in marketable securities.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

40.4 Market price risk (Continued)

Market price sensitivity

At the end of the reporting period, if the price for equity securities listed in Singapore and the United States been 2% (2015 – 2%) higher/lower with all other variables including tax rate held constant, the effects on profit after tax and other comprehensive income would have been:

The Group	Increase/(Decrease) Profit after tax $'000	Other comprehensive income $'000	Equity $'000
31 December 2016			
Available-for-sale financial assets			
– increased by	**–**	**63**	**63**
– decreased by	**–**	**(63)**	**(63)**
Financial assets at fair value through profit or loss			
– increased by	**90**	**–**	**90**
– decreased by	**(90)**	**–**	**(90)**
31 December 2015			
Available-for-sale financial assets			
– increased by	–	890	890
– decreased by	–	(890)	(890)
Financial assets at fair value through profit or loss			
– increased by	77	–	77
– decreased by	(77)	–	(77)

40.5 Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company and the Group manage their liquidity risk by ensuring the availability of funding through an adequate amount of credit facilities from financial institutions.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

40.5 Liquidity risk (Continued)

The table below analyses non-derivative financial liabilities of the Company and the Group into relevant maturity groupings based on the remaining period from the date of statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

The Group	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
At 31 December 2016					
Trade and other payables (less deferred income, other taxes payables and GST payable)	**47,737**	**–**	**–**	**–**	**47,737**
Borrowings	**100,232**	**1,706**	**118,611**	**778**	**221,327**
Long-term liabilities					
– Long-term payables (retention sum)	**–**	**6,790**	**–**	**–**	**6,790**
– Provision for dismantlement and restoration cost	**–**	**–**	**–**	**1,105**	**1,105**
Financial guarantee contracts	**4,792**	**210**	**3,671**	**8,527**	**17,200**
	152,761	**8,706**	**122,282**	**10,410**	**294,159**
At 31 December 2015					
Trade and other payables (less deferred income, other taxes payables and GST payable)	47,868	–	–	–	47,868
Borrowings	180,025	1,881	59,755	1,409	243,070
Long-term liabilities					
– Long-term payables (retention sum)	–	3,130	549	–	3,679
– Provision for dismantlement and restoration cost	–	–	–	1,210	1,210
Financial guarantee contracts	4,560	432	3,544	8,664	17,200
	232,453	5,443	63,848	11,283	313,027
The Company					
At 31 December 2016					
Trade and other payables	**992**	**–**	**–**	**–**	**992**
Advances from subsidiaries (non-trade)	**245,745**	**–**	**–**	**–**	**245,745**
Borrowings	**77,573**	**–**	**60,098**	**–**	**137,671**
	324,310	**–**	**60,098**	**–**	**384,408**
At 31 December 2015					
Trade and other payables	922	–	–	–	922
Advances from subsidiaries (non-trade)	153,225	–	–	–	153,225
Borrowings	118,847	–	–	–	118,847
	272,994	–	–	–	272,994

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

40.5 Liquidity risk (Continued)

The Company and the Group manage the liquidity risk by ensuring there are sufficient cash and marketable securities to meet all their normal operating commitments in a timely and cost-effective manner, having adequate amount of credit facilities and the ability to close market positions at short notice. The Group intends to refinance its short-term bank borrowings with long-term bank borrowings upon their maturity.

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
At 31 December 2016					
Net-settled interest rate swaps					
– Net cash out flow	**89**	**92**	**–**	**–**	**181**
At 31 December 2015					
Net-settled interest rate swaps					
– Net cash out flow	31	32	34	–	97

At the end of the reporting period, the undrawn credit facilities is $158,095,000 (2015 – $111,906,000).

41 CAPITAL MANAGEMENT

The Company's and the Group's objectives when managing capital are:

(a) To safeguard the Company's and the Group's ability to continue as a going concern;
(b) To support the Company's and the Group's stability and growth;
(c) To provide capital for the purpose of strengthening the Company's and the Group's risk management capability; and
(d) To provide an adequate return to shareholders.

41 CAPITAL MANAGEMENT (CONTINUED)

The Company and the Group actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company and the Group currently do not adopt any formal dividend policy.

The Company and the Group monitor capital on the basis of the carrying amount of equity plus borrowings as presented in the statements of financial position.

Total capital is calculated as equity plus total borrowings.

	The Company		The Group	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Total borrowings	**137,504**	118,452	**220,392**	242,431
Total equity	**320,690**	309,333	**909,293**	880,629
Total capital	**458,194**	427,785	**1,129,685**	1,123,060
Gearing ratio	**30.01%**	27.69%	**19.51%**	21.59%

Gearing has a significant influence on the Company's and the Group's capital structure and the Company and the Group monitor capital using a gearing ratio. The Company and the Group monitor gearing closely but had not set a definite ratio as it depends on the operational and investments requirement of the Company and the Group. The gearing ratio is calculated as total borrowings divided by total capital.

The Company and the Group have observed its covenant obligations, including maintaining capital ratios since the inception of the borrowings (Note 22).

In order to maintain or adjust the capital structure, the Company and the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy-back issued shares, obtain new borrowings or sell assets to reduce debt.

There were no changes in the Company's and the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

42 FINANCIAL INSTRUMENTS

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Group	Note	Available-for-sale (Carried at fair value) $'000	Held for trading (FVTPL) (Carried at fair value) $'000	Loans and receivables (Carried at amortised cost) $'000	Total $'000
31 December 2016					
Financial assets					
Available-for-sale financial assets	8	**3,108**	**–**	**–**	**3,108**
Financial assets at fair value through profit or loss	15	**–**	**5,415**	**–**	**5,415**
Trade and other receivables	16				
– Trade receivables		**–**	**–**	**15,920**	**15,920**
– Deposits		**–**	**–**	**534**	**534**
– Staff loans		**–**	**–**	**137**	**137**
– Others (net of impairment)		**–**	**–**	**1,007**	**1,007**
Cash and cash equivalents	18	**–**	**–**	**94,256**	**94,256**
		3,108	**5,415**	**111,854**	**120,377**

The Group	Note	Other liabilities (Carried at amortised cost) $'000	Total $'000
31 December 2016			
Financial liabilities			
Borrowings	22	**220,392**	**220,392**
Trade and other payables (less deferred income, other taxes payables and GST payable)	26	**47,737**	**47,737**
Long-term liabilities	23		
– Long-term payables (retention sum)		**6,008**	**6,008**
– Provision for dismantlement and restoration costs		**740**	**740**
		274,877	**274,877**

42 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications of financial assets and financial liabilities (Continued)

The Group	Note	Available-for-sale (Carried at fair value) $'000	Held for trading (FVTPL) (Carried at fair value) $'000	Loans and receivables (Carried at amortised cost) $'000	Total $'000
31 December 2015					
Financial assets					
Available-for-sale financial assets	8	44,516	–	–	44,516
Financial assets at fair value through profit or loss	15	–	4,666	–	4,666
Trade and other receivables	16				
– Trade receivables		–	–	18,842	18,842
– Deposits		–	–	365	365
– Staff loans		–	–	160	160
– Others (net of impairment)		–	–	1,591	1,591
Cash and cash equivalents	18	–	–	31,182	31,182
		44,516	4,666	52,140	101,322

The Group	Note	Other liabilities (Carried at amortised cost) $'000	Total $'000
31 December 2015			
Financial liabilities			
Borrowings	22	242,431	242,431
Trade and other payables (less deferred income, other taxes payables and GST payable)	26	47,868	47,868
Long-term liabilities	23		
– Long-term payables (retention sum)		2,977	2,977
– Provision for dismantlement and restoration costs		740	740
		294,016	294,016

42 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications of financial assets and financial liabilities (Continued)

The Company	Note	Loans and receivables (Carried at amortised cost) $'000	Total $'000
31 December 2016			
Financial assets			
Trade and other receivables	16		
– Deposits		**1**	**1**
Advances to subsidiaries	17	**15,155**	**15,155**
Cash and cash equivalents	18	**68,036**	**68,036**
		83,192	**83,192**

	Note	Other liabilities (Carried at amortised cost) $'000	Total $'000
Financial liabilities			
Borrowings	22	**137,504**	**137,504**
Advances from subsidiaries	17	**245,745**	**245,745**
Trade and other payables	26	**992**	**992**
		384,241	**384,241**

The Company	Note	Loans and receivables (Carried at amortised cost) $'000	Total $'000
31 December 2015			
Financial assets			
Trade and other receivables	16		
– Deposits		1	1
Advances to subsidiaries	17	28,855	28,855
Cash and cash equivalents	18	1,712	1,712
		30,568	30,568

42 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications of financial assets and financial liabilities (Continued)

	Note	Other liabilities (Carried at amortised cost) $'000	Total $'000
Financial liabilities			
Borrowings	22	118,452	118,452
Advances from subsidiaries	17	153,225	153,225
Trade and other payables	26	922	922
		272,599	272,599

43 FAIR VALUE MEASUREMENT

Fair value

FRS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

The carrying amount of financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

43.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability

43 FAIR VALUE MEASUREMENT (CONTINUED)

43.1 Fair value measurement of financial instruments (Continued)

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2016 and 31 December 2015:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 December 2016				
Assets				
Available-for-sale financial assets	**3,108**	**–**	**–**	**3,108**
Financial assets at fair value through profit or loss	**5,415**	**–**	**–**	**5,415**
Non-current assets classified as held-for-sale	**–**	**225**	**–**	**225**
Liabilities				
Derivative financial instrument				
– Interest rate swap	**–**	**181**	**–**	**181**
Long-term liabilities				
– Provision for dismantlement and restoration costs	**–**	**–**	**1,105**	**1,105**
– Long-term payables (retention sum)	**–**	**–**	**6,008**	**6,008**
At 31 December 2015				
Assets				
Available-for-sale financial assets	44,516	–	–	44,516
Financial assets at fair value through profit or loss	4,666	–	–	4,666
Non-current assets classified as held-for-sale	–	256	–	256
Liabilities				
Derivative financial instrument				
– Interest rate swap	–	97	–	97
Long-term liabilities				
– Provision for dismantlement and restoration costs	–	–	1,209	1,209
– Long-term payables (retention sum)	–	–	2,977	2,977

The fair value of financial instruments traded in active markets (such as available-for-sale equity investments and financial assets at fair value through profit or loss) is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The non-current assets classified as held-for-sale is a non-recurring fair value which has been measured using observable inputs, being the price of actual sales transaction and is therefore within Level 2 of the fair value hierarchy.

There were no transfers between Level 1 and Level 2 in 2016 or 2015.

43 FAIR VALUE MEASUREMENT (CONTINUED)

43.1 Fair value measurement of financial instruments (Continued)

The following table presents the changes in Level 3 instruments:

The Group	2016 $'000	2015 $'000
Long-term liabilities		
– Long-term payables (retention sum)		
Beginning of financial year	**2,977**	1,227
Additions during the year	**2,945**	1,663
Exchange difference	**86**	87
End of financial year	**6,008**	2,977

43.2 Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2016 and 2015:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 December 2016				
Investment properties				
Commercial offices and retail	**–**	**–**	**470,800**	**470,800**
Commercial retail	**–**	**29,303**	**–**	**29,303**
	–	**29,303**	**470,800**	**500,103**
At 31 December 2015				
Investment properties				
Commercial offices and retail	–	–	472,500	472,500
Commercial retail	–	75,022	–	75,022
	–	75,022	472,500	547,522

Measurement of fair value of non-financial assets

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and Audit Committee at each reporting date.

43 FAIR VALUE MEASUREMENT (CONTINUED)

43.2 Fair value measurement of non-financial assets (Continued)

Measurement of fair value of non-financial assets (Continued)

Further information is set out below.

Investment properties – Commercial retail (Level 2)

Commercial investment properties are carried at fair value at the end of reporting period as determined by independent professional valuers. Valuations are made at least annually based on the properties' highest-and-best-use using the Direct Market Comparison Method that consider sales of similar properties that have been transacted in the open market. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre.

Investment properties – Commercial offices and retail (Level 3)

The fair value of the offices are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When actual rent differs materially from the estimated rents, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the buildings. The office buildings are revalued at least annually on 31 December.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels and the capitalisation rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if capitalisation rate declines. The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The inputs used in the valuations at 31 December 2016 and 2015 were:

The Group	Commercial office	Commercial retail
At 31 December 2016		
Rental value	**$6,060,000**	**$13,380,000**
Vacancy levels	**1.5%**	**1.5%**
Capitalisation rate	**3.5%**	**3.5%**
At 31 December 2015		
Rental value	$6,135,000	$13,380,000
Vacancy levels	1.5%	1.5%
Capitalisation rate	3.5%	4.5%

43 FAIR VALUE MEASUREMENT (CONTINUED)

43.2 Fair value measurement of non-financial assets (Continued)

Level 3 fair value measurements

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 was as follows:

The Group	Investment properties Commercial offices and retail $'000
Balance at 1 January 2015	423,000
Acquisition during the year	8,033
Replaced components of improvement written off	(225)
Total amount included in profit or loss for unrealised gain on Level 3 assets	
– increase in fair value of investment properties	41,692
Balance at 31 December 2015	472,500
Acquisition during the year	443
Replaced components of improvement written off	(83)
Total amount included in profit or loss for unrealised gain on Level 3 assets	
– decrease in fair value of investment properties	(2,060)
Balance at 31 December 2016	**470,800**

There were no changes in valuation techniques during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers into or out of fair value hierarchy levels for financial years ended 31 December 2016 and 2015.

44 EVENT AFTER END OF REPORTING DATE

Subsequent to the financial reporting period, the Group through a subsidiary, Colex Holdings Limited, increased its investment in a wholly-owned subsidiary, Juz Clean Pte. Ltd. (formerly known as Claridges Pte Ltd) by subscribing an additional 99,998 ordinary shares for a total consideration of $99,998. Its investment in Juz Clean Pte. Ltd. thereby increased from $2 to $100,000 and remains as a subsidiary to the Group.

DISTRIBUTION OF SHAREHOLDINGS

AS AT 14 MARCH 2017

Issued & Fully Paid-Up Capital	:	254,427,603
Number & Class of Shares	:	402,069,168 ordinary shares with equal voting rights
Number of treasury shares	:	Nil

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1–99	33	0.95	818	0.00
100 – 1,000	492	14.23	206,675	0.05
1,001 – 10,000	2,201	63.67	9,089,837	2.26
10,001 – 1,000,000	720	20.83	32,555,762	8.10
1,000,001 and above	11	0.32	360,216,076	89.59
Total:	**3,457**	**100.00**	**402,069,168**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS AS AT 14 MARCH 2017

No.	Name	No. of Shares	% of Shares
1	GOLDVEIN HOLDINGS PTE. LTD.	240,026,769	59.70%
2	NGO HENRY	85,357,128	21.23%
3	UNITED OVERSEAS BANK NOMINEES	10,321,160	2.57%
4	MORPH INVESTMENTS LTD	8,293,600	2.06%
5	CITIBANK NOMS S'PORE PTE LTD	4,340,473	1.08%
6	DBS NOMINEES PTE LTD	3,126,648	0.78%
7	RAFFLES NOMINEES (PTE) LTD	2,312,913	0.58%
8	NG POH CHENG	2,222,900	0.55%
9	CIMB SEC (S'PORE) PTE LTD	2,088,425	0.52%
10	NG SOO GIAP OR CHEW SOOI GUAT	1,107,000	0.28%
11	OCBC NOMINEES SINGAPORE	1,019,060	0.25%
12	ANG HAO YAO (HONG HAOYAO)	733,500	0.18%
13	YEAP LAM HONG	719,200	0.18%
14	TAN KAH BOH ROBERT @ TAN KAH BOO	663,000	0.16%
15	TAN LAI CHOON	614,000	0.15%
16	UOB KAY HIAN PTE LTD	592,581	0.15%
17	CHIAM HOCK POH	574,000	0.14%
18	PLAZA DEVELOPMENT (PTE) LTD	542,000	0.13%
19	KHOO LU-EN @ LEN KO	534,000	0.13%
20	DBSN SERVICES PTE LTD	525,900	0.13%
Total:		**365,714,257**	**90.95%**

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC AS AT 14 MARCH 2017

Percentage of shareholdings held in the hands of the public is 16.85% and hence Rule 723 of the Listing Manual is complied with.

REGISTER OF SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest
Goldvein Holdings Pte. Ltd.		
– Ordinary Shares	240,026,769*	–
Henry Ngo		
– In Own Name	85,357,128	–
– United Overseas Bank Nominees (Private) Limited**	–	7,591,000

* Mr Henry Ngo, Mr Patrick Tse, Mr James Sookanan and Mr Wilfred Hsieh are deemed to be interested in these shares by virtue of their shareholdings in Goldvein Holdings Pte. Ltd.

** Held in trust for Allsland Pte Ltd, a company wholly owned by Mr Henry Ngo.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Eighth Annual General Meeting of the Company will be held at the Sheraton Towers Singapore, 39 Scotts Road, Topaz Room, Level 2, Singapore 228230 on Tuesday, 25 April 2017 at 2:00 p.m., to transact the following businesses:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2016 together with the Directors' Statement and the Auditor's Report thereon. (Resolution 1)

2. To declare a final one-tier tax exempt dividend of 1.60 cents per share and a special one-tier tax exempt dividend of 1.00 cent per share in respect of the financial year ended 31 December 2016 (2015: final one-tier tax exempt dividend of 1.60 cents per share). (Resolution 2)

3. To re-elect Mr Chew Heng Ching, a Director retiring under Article 92 of the Constitution of the Company. (Resolution 3)

4. To re-elect Mr Gary Xie Guojun, a Director retiring under Article 92 of the Constitution of the Company. (Resolution 4)

5. To re-elect Mr Andy Xie Guoyuan, a Director retiring under Article 78 of the Constitution of the Company. (Resolution 5)

6. To approve the payment of Directors' Fee of S$202,000 for 2016 (2015: S$202,000). (Resolution 6)

7. To appoint PricewaterhouseCoopers LLP as Auditor in place of retiring Auditor, Foo Kon Tan LLP, and to authorise the Directors to fix their remuneration. (Resolution 7)

As Special Business

8. Authority to issue shares

   To consider, and if thought fit, to pass the following Ordinary Resolution (with or without amendments):

   (a) "that, pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

      (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

      (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

      (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always, that subject to any applicable regulations as may be prescribed by the Singapore Exchange Securities Trading Limited,

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50 per cent of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20 per cent of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (Resolution 8)

[See Explanatory Note]

9. Proposed Share Buy Back Mandate

"That:–

(a) for the purposes of Sections 76C and 76E of the Companies Act (Cap. 50) of Singapore (the "**Companies Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("**Share Buy-Backs**") in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:–

(i) on-market Share Buy-Backs (each an "**On-market Share Buy-Back**") transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market Share Buy-Backs (each an "**Off-market Share Buy-Back**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the directors of the Company ("**Directors**") as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with the applicable provisions of the Companies Act and the Listing Manual, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:–

(i) the date on which the next annual general meeting of the Company ("**AGM**") is held or required by law to be held;

(ii) the date on which the Share Buy-Backs are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company in general meeting;

(c) in this Resolution:–

"**Prescribed Limit**" means 10% of the total number of Shares as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share, which shall not exceed:–

(i) in the case of an On-market Share Buy-Back, 5% above the average of the closing market prices of the Shares over the last 5 market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day of the On-market Share Buy-Back by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and

(ii) in the case of an Off-market Share Buy-Back pursuant to an equal access scheme, 20% above the average of the closing market prices of the Share over the last 5 market days on the SGX-ST on which transactions in the Shares were recorded, immediately preceding the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price for each Share and the relevant terms of the equal access scheme for effecting the Off-market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs after such 5-day period; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary or expedient to give effect to the transactions contemplated by this Resolution." (Resolution 9)
[See Explanatory Note]

Any other business

10. To transact any other business that may normally be transacted at an Annual General Meeting.

By Order of the Board

Foo Soon Soo
Company Secretary

Singapore, 7 April 2017

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. The Ordinary Resolution in item 7, if passed, will effect the appointment of PricewaterhouseCoopers LLP as the Auditor of the Company in place of the retiring Auditor, Foo Kon Tan LLP, and will authorise the Directors to fix their remuneration. Please refer to the Appendix accompanying this Annual Report for more information.

2. The Ordinary Resolution in item 8 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 per cent of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20 per cent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares of the Company for this purpose shall be the total number of issued shares excluding treasury shares at the time this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

3. The Ordinary Resolution 9 relates to the proposed mandate authorising the Company to purchase its own shares. Please refer to the Appendix accompanying this Annual Report for more information.

Notes:

1. A Depositor is not regarded as a member of the Company entitled to attend and vote at the Annual General Meeting unless his name appears on the Depository Register not less than 72 hours before the time of the Annual General Meeting.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in the form of proxy.

3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOK CLOSURE DATE

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Forty-Eighth Annual General Meeting:

<u>FIRST AND FINAL DIVIDEND</u>

A final one-tier tax exempt dividend of 1.60 Singapore cents per share and a special one-tier tax exempt dividend of 1.00 Singapore cent per share in respect of the financial year ended 31 December 2016 will be paid on 23 May 2017 to shareholders whose names appear in the Register of Members on 8 May 2017 as at 5.00 p.m. Accordingly, the Transfer Books and the Register of Members of the Company will be closed on 8 May 2017 after 5.00 p.m., for the purpose of determining shareholders' entitlements to the proposed final and special dividends.

Registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. at 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5.00 p.m. on 8 May 2017 will be registered before entitlements to the dividends are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company on 8 May 2017 as at 5.00 p.m. will be entitled to such proposed dividends.

By Order of the Board

Foo Soon Soo
Company Secretary

Singapore, 7 April 2017

APPENDIX

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the shareholders of Bonvests Holdings Limited (the "**Company**") together with the Company's annual report.

Its purpose is to explain to the shareholders the rationale and provide information relating to the proposed change of auditors and proposed renewal of share buy-back mandate to be tabled at the Annual General Meeting ("**AGM**") to be held on 25 April 2017 at the Sheraton Towers Singapore, 39 Scotts Road, Topaz Room, Level 2, Singapore 228230 at 2:00 p.m.

The notice of AGM and a proxy form are enclosed in the annual report.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should hand this Appendix and the annual report to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any statements made or reports contained or opinions expressed in this Appendix.

APPENDIX IN RELATION TO THE PROPOSED CHANGE OF AUDITOR AND THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:–

"**2016 AGM**"	:	The annual general meeting of the Company held on 25 April 2016
"**2016 Circular**"	:	The Company's Circular to Shareholders dated 8 April 2016
"**AGM**"	:	The annual general meeting of the Company
"**Annual Report**"	:	The annual report of the Company
"**Audit Committee**"	:	The Audit Committee of the Company for the time being
"**Auditor**"	:	The Auditor of the Company
"**Board**"	:	The Board of Directors of the Company for the time being
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act (Cap. 50) of Singapore, as amended or modified from time to time
"**Company**"	:	Bonvests Holdings Limited
"**Constitution**"	:	The constitution of the Company
"**Directors**"	:	The directors of the Company as at the date of this Circular
"**FKT**"	:	Foo Kon Tan LLP
"**Group**"	:	The Company and its Subsidiaries
"**Latest Practicable Date**"	:	20 March 2017, being the latest practicable date prior to the printing of this Appendix
"**Listing Manual**"	:	The Listing Manual of the SGX-ST, as the same may be amended or modified from time to time
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities

"**Notice of AGM**"	:	The notice of AGM
"**Proposed Change of Auditor**"	:	The proposed change of auditor of the Company from FKT to PwC
"**Proposed Renewal of the Share Buy-Back Mandate**"	:	The proposed renewal of the Share Buy-Back Mandate
"**PwC**"	:	PricewaterhouseCoopers LLP
"**Registrar**"	:	Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Buy-Back**"	:	The purchase or acquisition of Shares by the Company in accordance with the Companies Act and the Listing Manual
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
"**Share Buy-Back Mandate**"	:	The mandate to enable the Company to purchase or otherwise acquire its Shares
"**Shares**"	:	Issued and paid up ordinary shares in the capital of the Company
"**Subsidiaries**"	:	The meaning ascribed to it by the Companies Act
"**Substantial Shareholder**"	:	A person who has an interest in one or more voting shares in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the company
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers
"**Treasury Shares**"	:	Shares which:– (a) are purchased by the Company in circumstances in which Section 76H of the Companies Act applies; and (b) held by the Company continuously since the Treasury Shares are so purchased
"**%**"	:	percentage or per centum
"**$**" and "**cents**"	:	Singapore dollars and cents respectively

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Cap. 289).

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Words importing persons include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act and used in this Appendix shall have the meaning assigned to it under the Companies Act.

Any reference to a time of day in this Appendix shall be a reference to Singapore time.

BONVESTS HOLDINGS LIMITED
(Company Registration No. 196900282M)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

Board of Directors:
Henry Ngo (Chairman and Managing Director)
Gary Xie Guojun (Executive Director)
Andy Xie Guoyuan (Executive Director)
Chew Heng Ching (Independent Director)
Tom Yee Lat Shing (Independent Director)
Yeo Wee Kiong (Independent Director)

Registered Office
541 Orchard Road
#16-00 Liat Towers
Singapore 238881

7 April 2017

To: The Shareholders of Bonvests Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

We refer to:

(a) the Notice of AGM of the Company dated 7 April 2017, accompanying the FY2016 Annual Report, convening the Forty-Eighth AGM of the Company to be held on 25 April 2017;

(b) Ordinary Resolution No. 7 relating to the Proposed Change of Auditor (as proposed in the Notice of AGM);

(c) Ordinary Resolution No. 9 relating to the Proposed Renewal of the Share Buy-Back Mandate (as proposed in the Notice of AGM).

The Directors are seeking the approval of the Shareholders to the proposed Change of Auditor and the Proposed Renewal of the Share Buy-Back Mandate in the terms set out in Ordinary Resolution 7 and Ordinary Resolution 9 respectively.

The purpose of this Appendix is to provide Shareholders with the relevant information relating to the Proposed Change of Auditor and the Proposed Renewal of the Share Buy-Back Mandate to be tabled at the AGM. This Appendix has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.

2. THE PROPOSED CHANGE OF AUDITOR

2.1 The Proposed Change Of Auditor

Ordinary Resolution No. 7 proposed in the Notice of AGM is to appoint PwC as the Auditor of the Company in place of the retiring Auditor, FKT, and to authorise the Directors to fix their remuneration.

2.2 Rationale

Besides Singapore, the Group has businesses in various overseas locations, namely Tunis, Mauritius, Zanzibar and Maldives. With the recent extension of the Group's businesses to Perth and Bintan, it is the view of the Directors that it would be timely for the Group to consider the appointment of an external auditor who is a member of a global auditing network and to effect a change of external auditor from the financial year ending 31 December 2017. FKT, the retiring Auditor, will accordingly not be seeking re-appointment at the forthcoming AGM.

PwC was selected for the proposed appointment after the Audit Committee invited and evaluated competitive proposals from various audit firms. The Audit Committee reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration factors such as the adequacy of the resources and experience of the audit firm to be selected, and the audit engagement partner to be assigned to the audit, as well as the size and complexity of the Company and its subsidiaries (the "Group"). After evaluation, the Audit Committee recommended that PwC be selected for the proposed appointment. The Directors have taken into account the Audit Committee's recommendation, including the factors considered in their evaluation, and are satisfied that PwC will be able to meet the audit requirements of the Company.

2.3 Information on PwC

PwC is a member firm of PricewaterhouseCoopers International Limited, a global network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in assurance, advisory and tax services. PwC Singapore is registered with the Accounting and Corporate Regulatory Authority ("ACRA") and is one of the largest professional services firms in Singapore today, with a wide-ranging clientele base consisting of multinational companies, listed companies, private companies and public sector organisations.

The audit partner who will be in charge of the audit is Chua Lay See. Ms. Chua has over 20 years of professional experience and has been actively involved in planning, executing, and managing audits of companies, both local and multinationals, in the manufacturing, real estate, retail, hospitality, construction, technology, and trading industries. Her past and present clients include companies listed on the SGX-ST and Singapore-based operations of US, UK, Taiwan and Japanese multinationals with regional presence in PRC, Hong Kong, India, Australia, Thailand, Indonesia and Malaysia. Ms. Chua is a practising member of the Institute of Singapore Chartered Accountants and is a public accountant registered with ACRA.

Ms. Chua will be assisted by a team of audit professionals in performing the audit. This includes a Quality Review Partner, who is an experienced partner to ensure that the engagement team provides independent and objective viewpoints on the audit. The audit team also consists of engagement managers, as well as senior and graduate associates.

For more information about PwC, please visit www.pwc.com/sg/en/.

2.4 Confirmation

In accordance with Rule 1203(5) of the Listing Manual, the Company confirms that:

(a) FKT has confirmed to PwC that it is not aware of any professional reason why PwC should not accept the appointment as Auditor;

(b) there were no disagreements with FKT on accounting treatments within the last 12 months;

(c) it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of the Shareholders;

(d) the specific reasons for the Proposed Change of Auditor are as disclosed in paragraph 2.2 above; and

(e) it is in compliance with Rule 712 and Rule 716 of the Listing Manual in relation to the appointment of PwC.

2.5 Nomination Notice

Pursuant to Section 205 of the Companies Act, a copy of the notice of nomination of the proposed new Auditor dated 27 February 2017 from a Shareholder is annexed to this Appendix.

3. THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

3.1 Background

At the 2016 AGM, the Shareholders had approved the renewal of the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire its issued Shares. The rationale for, the authority and limitations on, and the financial effects of, the Share Buy-Back Mandate were set out in the 2016 Circular and the Ordinary Resolution set out in the Notice of the 2016 AGM.

The Share Buy-Back Mandate was expressed to take effect on the date of the passing of the Ordinary Resolution at the 2016 AGM and will expire on the date of the forthcoming Forty-Eighth AGM to be held on 25 April 2017. Accordingly, Shareholders' approval is being sought for the Proposed Renewal of the Share Buy-Back Mandate at the Forty-Eighth AGM.

As at 20 March 2017, being the Latest Practicable Date prior to the printing of this Appendix, the Company had purchased or acquired an aggregate of 98,500 Shares by way of On-Market Share Buy-Backs (as defined in paragraph 3.3.3 below) pursuant to the Share Buy-Back Mandate approved by Shareholders at the 2016 AGM. The highest and lowest price paid was S$1.21 and S$1.20 per Share respectively and the total consideration paid for all purchases was S$119,476.43, excluding commission, brokerage and goods and services tax. These shares were cancelled upon purchased.

3.2 Rationale

The Share Buy-Back Mandate, when approved, will give the Directors the flexibility to purchase or otherwise acquire Shares of the Company during the period when the Share Buy-Back Mandate is in force, subject to **paragraph 3.3 and 3.11**. The rationale for the Company undertaking to purchase or acquire its Shares is to:–

(a) facilitate the return of surplus cash over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any, in an expedient and cost-efficient manner;

(b) allow Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves, thereby enhancing the Company's competitive edge and Shareholders' value; and

(c) give the Company the opportunity to buy back Shares when such Shares are under-valued.

Shareholders should note that the buy-back of Shares will only be made when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being de-listed from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to adversely affect the listing status of the Company.

3.3 Authority and Limits on the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares under the proposed Share Buy-Back Mandate, if renewed at the forthcoming AGM, are the same as were previously approved by Shareholders at the 2016 AGM and are summarised below:

3.3.1 *Maximum Number of Shares*

The total number of Shares which may be purchased or acquired pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than 10% of the total number of Shares of the Company as at the date of the AGM at which the renewal of the Share Buy-Back Mandate is approved. Any Shares which are held as Treasury Shares will be disregarded for the purposes of computing the 10% limit.

Based on 402,069,168 issued Shares as at the Latest Practicable Date (with no Shares held as Treasury Shares as at that date), and assuming no further Shares are issued or repurchased, or held by the Company as Treasury Shares, on or prior to the Forty-Eighth AGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 40,206,916 Shares. The Directors will use their best efforts to ensure that the Company does not carry out any Share Buy-Back if it would result in the number of Shares remaining in the hands of the public falling to such a level as to adversely affect the listing status of the Company (refer to paragraph 3.11).

3.3.2 *Duration of Authority*

Share Buy-Backs may be made at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Buy-Back Mandate is approved up to:–

(i) the date on which the next AGM of the Company is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in general meeting,

whichever is the earliest.

The authority conferred on the Directors to purchase Shares pursuant to the Share Buy-Back may be renewed by the Shareholders at each annual general meeting or other general meeting of the Company.

3.3.3 *Manner of Share Buy-Backs*

Share Buy-Backs may be made by way of:–

(i) an on-market Share Buy-Back ("**Market Share Buy-Back**") transacted through the SGX-ST's trading system; and/or

(ii) an off-market Share Buy-Back ("**Off-Market Share Buy-Back**") effected in accordance with an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual, the Companies Act and the Memorandum and Articles, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s).

3.3.4 *Off-Market Share Buy-Back*

An Off-Market Share Buy-Back on an "equal access scheme" must satisfy all of the following conditions:–

(i) the offers under the scheme must be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:–

  (a) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

  (b) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

  (c) differences in the offers introduced solely to ensure that each member is left with a whole number of Shares.

If the Company wishes to make an Off-Market Share Buy-Back on an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:–

(i) terms and conditions of the offer;

(ii) period and procedures for acceptances;

(iii) reasons for the proposed share buy-back;

(iv) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;

(v) whether the Share Buy-Back, if made, would have any effect on the listing of the Shares on the SGX-ST; and

(vi) details of any Share Buy-Back made by the Company in the previous 12 months (whether Market Share Buy-Backs or Off-Market Share Buy-Backs), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

3.3.5 *Maximum Purchase Price to be paid for the Shares*

The purchase price (excluding brokerage, commission, applicable goods and services tax and other purchase-related expenses) to be paid for a Share shall be determined by the Directors. However, the purchase price for Shares shall not exceed:–

(i) in the case of a Market Share Buy-Back, 5% above the Average Closing Market Price (as defined below) of the Shares; and

(ii) in the case of an Off-Market Share Buy-Back pursuant to an equal access scheme, 20% above the Average Closing Market Price of the Shares.

For the above purposes:–

"**Average Closing Market Price**" means the average of the closing market prices of Shares over the last 5 Market Days on which transactions in the Shares were recorded, immediately preceding the day on which a Market Share Buy-Back was made, or as the case may be, the date of the making of the offer pursuant to an Off-Market Share Buy-Back on an equal access scheme, and deemed to be adjusted for any corporate action that occurs after the relevant 5-Market Day period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back.

The Listing Manual restricts a listed company from purchasing shares by way of Market Share Buy-Backs at a price per share which is more than 5% above the "average closing market price", being the average of the closing market prices of the shares over the last 5 Market Days on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant 5 day period.

Although the Listing Manual does not prescribe a maximum price in relation to purchases of Shares by way of off-market share buy-backs, the Company has set a cap of 20% above the average closing price of a Share as the maximum price for a Share to be purchased or acquired by way of Off-Market Share Buy-Backs.

3.4 Source of Funding of Share Buy-Backs

The Company may only apply funds for the purchase or acquisition of Shares as provided in its Constitution and in accordance with the applicable laws in Singapore. The Company may not buy back its Shares on the SGX-ST for a consideration other than in cash or, in the case of Market Share Buy-Back, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use its internal funds and/or external borrowings to finance the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. In considering the use of external funding, the Company will take into consideration the availability of external financing and the resulting impact on the prevailing gearing ratio of the Company and the Group. The Company will not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse financial effect on the Company and the Group.

3.5 Status of Purchased Shares

The Shares purchased or acquired by the Company under any Share Buy-Back shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless held by the Company as Treasury Shares in accordance with Section 76H of the Companies Act. Under the Constitution, the Company has the discretion to hold the Shares purchased or acquired by the Company under any Share Buy-Back as Treasury Shares. At the time of each such Share Buy-Back by the Company, the Directors shall decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time.

Where Shares purchased or acquired by the Company under the Share Buy-Back are cancelled, such Shares will be automatically de-listed by the SGX-ST and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as is reasonably practicable following settlement of any such purchase or acquisition.

3.6 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company under the Share Buy-Back may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below:–

3.6.1 *Maximum Holdings*

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares.

3.6.2 *Voting and Other Rights*

The Company cannot exercise any right in respect of the Treasury Shares, in particular, (a) the right to attend or vote at meetings; and (b) the right to receive dividend or any other distribution (in cash or otherwise) of its assets (including any distribution of assets to members on a winding up).

However, the Company may allot fully paid bonus shares in respect of the Treasury Shares and the Treasury Shares may be sub-divided or consolidated so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before the subdivision or consolidation, as the case may be. Any Shares allotted as fully paid bonus shares in respect of the Treasury Shares shall be treated for the purposes of the Companies Act as if they were purchased by the Company at the time they were allotted, in circumstances in which Section 76H of the Companies Act applied.

3.6.3 *Disposal and Cancellation*

When Shares purchased or acquired are held as Treasury Shares, the Company may at any time:–

(a) sell the Treasury Shares for cash;

(b) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;

(c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the Treasury Shares; or

(e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed.

3.7 Financial Effects of the Proposed Share Buy-Back

It is not possible for the Company to realistically calculate or quantify the financial effects of the purchases of Shares that may be made pursuant to the Share Buy-Back Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased, the purchase prices at the relevant time of purchase, how the purchase is funded, whether the purchase is made out of capital or profits, whether the Shares purchased or acquired are cancelled or held as Treasury Shares as well as how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. For this purpose, a company is "**insolvent**" if:–

(a) it is unable to pay its debts as they become due in the normal course of business. The Companies Act further requires the Company to be able to pay its debts in full as they fall due in the normal course of business not only at the time of the purchase or acquisition but also during the period of 12 months after the purchase or acquisition; and

(b) the value of its assets is less than the value of its liabilities (including contingent liabilities), having regard to the most recent financial statements of the Company and all other circumstances that the Directors or managers of the Company know or ought to know affect or may affect such values. The Companies Act further requires that the value of the Company's assets will not be less than the value of its liabilities (including contingent liabilities) not only at the time of the purchase or acquisition but also after such purchase or acquisition.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of available profits, this will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced. Where the purchase or acquisition of Shares is paid out of the Company's profits or capital, the total amount of consideration paid by the Company shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

3.7.1 *Illustrative Financial Effects*

For illustrative purposes only, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate on the audited financial statements of the Group for the financial year ended 31 December 2016 are based on the assumptions set out below:

(a) 402,069,168 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares on or prior to the AGM, not more than 40,206,916 Shares (representing 10% of the issued ordinary share capital of the Company (excluding Treasury Shares) as at that date) may be purchased by the Company pursuant to the proposed Share Buy-Back Mandate;

(b) in the case of Market Share Buy-Back and assuming that the Company purchases 40,206,916 Shares at the maximum price of S$1.421 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 40,206,916 Shares is S$57,134,028; and

(c) In the case of Off-Market Share Buy-Back and assuming that the Company purchases 40,206,916 Shares at the maximum price of S$1.624 for one Share (being the price equivalent to 20% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 40,206,916 Shares is S$65,296,032.

For illustrative purposes only, and based on the assumptions set out in (a), (b) and (c) above and assuming that:–

(i) such purchase or acquisition of Shares is financed by external sources of funds;

(ii) the Share Buy-Back Mandate had been effective on 1 January 2016; and

(iii) the Company had purchased or acquired 40,206,916 Shares (representing 10% of its issued ordinary share capital at the Latest Practicable Date),

the financial effects of the purchase or acquisition of the 40,206,916 Shares by the Company on the audited financial accounts of the Company for the financial year ended 31 December 2016 pursuant to the Share Buy-Back Mandate:–

(1) by way of purchases made entirely out of capital and held as Treasury Shares; and

(2) by way of purchases made entirely out of capital and cancelled are set out below.

Scenario 1(A)

Market Share Buy-Backs of up to maximum of 10% made entirely out of capital and held as Treasury Shares.

As at 31 December 2016	**Group**		**Company**	
(S$'000)	**Before Share Buy-Back**	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
Shareholders' Funds	901,721	843,730	320,690	262,699
Shares held in treasury	–	57,134	–	57,134
Net Assets	901,721	843,730	320,690	262,699
Current Assets	132,857	132,000	83,308	82,450
Current Liabilities	157,610	214,744	324,421	381,554
Total Borrowings	220,392	277,526	137,504	194,638
Profit attributable to Shareholders	54,907	54,050	17,912	17,055
No. of issued and paid up shares	402,069,168	361,862,252	402,069,168	361,862,252
Weighted average number of shares	402,069,168	381,965,710	402,069,168	381,965,710

Financial Ratios

Net Assets per Share (S$)	2.24	2.33	0.80	0.73
Total Borrowings to Shareholders' Funds (times)	0.24	0.33	0.43	0.74
Earnings per Share (cents)	13.66	14.15	4.45	4.47

Notes:

(1) "Shareholders' Funds" mean the aggregate amount of issued share capital, other reserves and retained profits attributable to Shareholders of the Company.

(2) "Net Assets" as disclosed above excludes minority interests.

(3) "Total Borrowings" mean the aggregate borrowings from banks and financial institutions.

(4) "Earnings per share" is calculated based on the profit attributable to shareholders divided by the weighted average number of issued and paid-up shares.

Scenario 1(B)

Market Share Buy-Backs of up to maximum of 10% made entirely out of capital and cancelled.

As at 31 December 2016	**Group**		**Company**	
(S$'000)	**Before Share Buy-Back**	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
Shareholders' Funds	901,721	843,730	320,690	262,699
Shares held in treasury	–	–	–	–
Net Assets	901,721	843,730	320,690	262,699
Current Assets	132,857	132,000	83,308	82,450
Current Liabilities	157,610	214,744	324,421	381,554
Total Borrowings	220,392	277,526	137,504	194,638
Profit attributable to Shareholders	54,907	54,050	17,912	17,055
No. of issued and paid up shares	402,069,168	361,862,252	402,069,168	361,862,252
Weighted average number of shares	402,069,168	381,965,710	402,069,168	381,965,710

Financial Ratios

Net Assets per Share (S$)	2.24	2.33	0.80	0.73
Total Borrowings to Shareholders' Funds (times)	0.24	0.33	0.43	0.74
Earnings per Share (cents)	13.66	14.15	4.45	4.47

Notes:

(1) "Shareholders' Funds" mean the aggregate amount of issued share capital, other reserves and retained profits attributable to Shareholders of the Company.

(2) "Net Assets" as disclosed above excludes minority interests.

(3) "Total Borrowings" mean the aggregate borrowings from banks and financial institutions.

(4) "Earnings per share" is calculated based on the profit attributable to shareholders divided by the weighted average number of issued and paid-up shares.

Scenario 2(A)

Off-Market Share Buy-Backs of up to maximum of 10% made entirely out of capital and held as Treasury Shares.

As at 31 December 2016	**Group**		**Company**	
(S$'000)	**Before Share Buy-Back**	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
Shareholders' Funds	901,721	835,446	320,690	254,415
Shares held in treasury	–	65,296	–	65,296
Net Assets	901,721	835,446	320,690	254,415
Current Assets	132,857	131,878	83,308	82,328
Current Liabilities	157,610	222,906	324,421	389,716
Total Borrowings	220,392	285,688	137,504	202,800
Profit attributable to Shareholders	54,907	53,928	17,912	16,933
No. of issued and paid up shares	402,069,168	361,862,252	402,069,168	361,862,252
Weighted average number of shares	402,069,168	381,965,710	402,069,168	381,965,710

Financial Ratios

Net Assets per Share (S$)	2.24	2.31	0.80	0.70
Total Borrowings to Shareholders' Funds (times)	0.24	0.34	0.43	0.80
Earnings per Share (cents)	13.66	14.12	4.45	4.43

Notes:

(1) "Shareholders' Funds" mean the aggregate amount of issued share capital, other reserves and retained profits attributable to Shareholders of the Company.

(2) "Net Assets" as disclosed above excludes minority interests.

(3) "Total Borrowings" mean the aggregate borrowings from banks and financial institutions.

(4) "Earnings per share" is calculated based on the profit attributable to shareholders divided by the weighted average number of issued and paid-up shares.

Scenario 2(B)

Off-Market Share Buy-Backs of up to maximum of 10% made entirely out of capital and cancelled.

As at 31 December 2016	**Group**		**Company**	
(S$'000)	**Before Share Buy-Back**	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
Shareholders' Funds	901,721	835,446	320,690	254,415
Shares held in treasury	–	–	–	–
Net Assets	901,721	835,446	320,690	254,415
Current Assets	132,857	131,878	83,308	82,328
Current Liabilities	157,610	222,906	324,421	389,716
Total Borrowings	220,392	285,688	137,504	202,800
Profit attributable to Shareholders	54,907	53,928	17,912	16,933
No. of issued and paid up shares	402,069,168	361,862,252	402,069,168	361,862,252
Weighted average number of shares	402,069,168	381,965,710	402,069,168	381,965,710

Financial Ratios

Net Assets per Share (S$)	2.24	2.31	0.80	0.70
Total Borrowings to Shareholders' Funds (times)	0.24	0.34	0.43	0.80
Earnings per Share (cents)	13.66	14.12	4.45	4.43

Notes:

(1) "Shareholders' Funds" mean the aggregate amount of issued share capital, other reserves and retained profits attributable to Shareholders of the Company.

(2) "Net Assets" as disclosed above excludes minority interests.

(3) "Total Borrowings" mean the aggregate borrowings from banks and financial institutions.

(4) "Earnings per share" is calculated based on the profit attributable to shareholders divided by the weighted average number of issued and paid-up shares.

Shareholders should note that the financial effects illustrated above are purely for illustrative purposes and based only on the abovementioned assumptions. In particular, it is important to note that the above analyses are based on the latest audited accounts of the Company and the Group as at 31 December 2016, and is not necessarily representative of the future financial performance of the Group. Although the proposed Share Buy-Back Mandate would authorise the Company to buy back up to 10% of the Company's issued shares (excluding treasury shares) as at the date that the Share Buy-Back Mandate is obtained, the Company may not necessarily buy back or be able to buy back 10% of the entire total number of its Shares in full.

3.8 Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications should consult their own professional tax advisors to take into account the tax law applicable, whether in or outside Singapore, to their particular situations.

3.9 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve or renew the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall lodge with the Registrar a notice of Share Buy-Back within 30 days. Such notification shall include details of the purchases including the date of the purchases, the total number of Shares purchased by the Company, the number of Shares cancelled and the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchases, and such other information as required by the Companies Act.

The Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares:

(a) in the case of a Market Share Buy-Back, not later than 9.00 a.m. on the Market Day following the day on which the Market Share Buy-Back was made; and

(b) in the case of an Off-Market Share Buy-Back under an equal access scheme, not later than 9.00 a.m. on the second Market Day after the close of acceptance of the offer for the Off-Market Share Buy-Back.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of treasury shares sold, transferred, cancelled and/or used;

(d) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.10 Suspension of buy back of Shares

As the Company would be considered an "insider" in relation to any Share Buy-Back, the Company will not buy Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In particular, the Company will not buy Shares during the period commencing 1 month before the announcement of the Company's annual and half-year results and during the period commencing 2 weeks before the announcement of the Company's quarterly results, as the case may be, and ending on the date of announcement of the relevant results.

3.11 Listing status on SGX-ST

The Listing Manual provides that a listed company shall ensure that at least 10% of a class of its listed securities is at all times held by the public.

As at the Latest Practicable Date, approximately 16.85% of the total number of issued Shares are held in the hands of the public. Assuming that the Share Buy-Back was carried out on the Latest Practicable Date, and the Company bought back a maximum number of 40,206,916 Shares, approximately 7.62% of the issued share capital of the Company (excluding Treasury Shares) will be held in the hands of the public. Should the percentage of shares held by the public falls below 10% of the issued share capital of the Company (excluding Treasury Shares), which is below the minimum percentage of 10% of shares to be held by the public, the SGX-ST will suspend trading of the listed securities of the issuer only at the close of the take-over offer.

The Directors will use their best efforts to ensure that the Company does not carry out any Share Buy-Back if it would result in the number of Shares remaining in the hands of the public falling to such a level as to adversely affect the listing status of the Company.

3.12 Takeover Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

3.12.1 *Obligation to Make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.

Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

Consequently, depending on the number of Shares purchased or acquired by the Company and the number of Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14 of the Take-over Code.

3.12.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert, namely:

(a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors, and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Appendix 2 of the Take-over Code.

3.12.3 *Effect of Rule 14 and Appendix 2 of the Take-over Code*

In general terms, the effect of Appendix 2 of the Take-over Code is that:

(a) unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months;

(b) a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buy-Back Mandate.

Based on Substantial Shareholders' notifications received by the Company as at the Latest Practicable Date which is set out in paragraph 3 of this Appendix, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of any proposed purchase by the Company of the maximum limit of 10% of its issued Shares.

Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the Securities Industry Council before they acquire any Shares in the Company during the period when the Share Buy-Back Mandate is in force.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders, direct or indirect, in the Shares as recorded in the Register of Directors' Shareholding and the Register of Substantial Shareholders respectively as at the Latest Practicable Date are set out below:–

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%(1)	Number of Shares	%(1)	Number of Shares	%(1)
Directors						
Henry Ngo(2)(3)	85,357,128	21.23	247,617,769	61.59	332,974,897	82.82
Chew Heng Ching	486,000	0.12	–	–	486,000	0.12
Tom Yee Lat Shing	420,000	0.10	–	–	420,000	0.10
Yeo Wee Kiong	420,000	0.10	–	–	420,000	0.10
Substantial Shareholders						
Goldvein Holdings Pte. Ltd.	240,026,769(3)	59.70	–	–	240,026,769	59.70
Henry Ngo(2)(3)	85,357,128	21.23	247,617,769	61.59	332,974,897	82.82

Notes:–

(1) The percentage shareholding interest is based on the issued share capital of 402,069,168 Shares as at the Latest Practicable Date.

(2) Mr Henry Ngo is deemed to be interested in 240,026,769 Shares held by Goldvein Holdings Pte. Ltd. and 7,591,000 Shares held by United Overseas Bank Nominees (Private) Limited on behalf of Allsland Pte Ltd (which is wholly-owned by Mr Henry Ngo).

(3) Mr Henry Ngo, Mr Patrick Tse, Mr James Sookanan and Mr Wilfred Hsieh are deemed to be interested in these shares by virtue of their shareholdings in Goldvein Holdings Pte. Ltd.

5. DIRECTORS' RECOMMENDATIONS

5.1 The Proposed Changed Of Auditor

The Directors are of the opinion that the proposed appointment of PwC as Auditor of the Company in place of the retiring Auditor, FKT, is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of Ordinary Resolution No. 7 relating to the appointment of PwC as Auditor of the Company in place of the retiring Auditor, FKT, to be proposed at the AGM.

5.2 The Proposed Renewal of Share Buy-Back Mandate

The Directors are of the opinion that the proposed Renewal of Share Buy-Back Mandate are in the best interests of the Company and accordingly recommend that Shareholders vote in favour of all Ordinary Resolution 9 relating to the proposed Renewal of Share Buy-Back Mandate at the AGM.

6. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 541 Orchard Road, #16-00 Liat Towers, Singapore 238881 during normal business hours from the date of this Letter up to the date of the AGM:

(a) the FY2016 Annual Report;

(b) the Constitution of the Company;

(c) PwC LLP's formal letter of consent to act as Auditor of the Company; and

(d) the 2016 Circular.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditor and the Proposed Renewal of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix and its proper form and context.

Yours faithfully,
For and on behalf of the Board of Directors

Henry Ngo
Chairman and Managing Director

PROXY FORM

FORTY-EIGHTH ANNUAL GENERAL MEETING

Bonvests Holdings Limited
Registration No. 196900282M
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) may appoint more than two proxies to attend the Annual General Meeting and vote.
2. For investors who have used their CPF moneys to buy shares in Bonvests Holdings Limited, this Annual Report is forwarded to them at the request of the CPF Approved Nominees.
3. The Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ____ (Name)

of ____ (Address)

being a member/members of BONVESTS HOLDINGS LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or [delete as appropriate]

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 25 April 2017 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Ordinary Resolutions	No. of votes or indicate with a tick*	
		For	**Against**
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2016 together with the Directors' Statement and the Auditor's Report thereon.		
2.	To declare a final one-tier tax exempt dividend of 1.60 cents per share and a special one-tier tax exempt dividend of 1.00 cent per share in respect of the financial year ended 31 December 2016.		
3.	To re-elect Mr Chew Heng Ching, a Director retiring under Article 92 of the Constitution of the Company.		
4.	To re-elect Mr Gary Xie Guojun, a Director retiring under Article 92 of the Constitution of the Company.		
5.	To re-elect Mr Andy Xie Guoyuan, a Director retiring under Article 78 of the Constitution of the Company.		
6.	To approve the payment of Directors' Fee of S$202,000 for 2016.		
7.	To appoint PricewaterhouseCoopers LLP as Auditor in place of retiring Auditor, Foo Kon Tan LLP, and to authorise the Directors to fix their remuneration.		
	Special Business		
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		
9.	To approve the proposed Share Buy-Back Mandate.		

* *All resolutions would be put to vote by poll in accordance with listing rule of Singapore Exchange Securities Trading Limited. If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of ________________ 2017.

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Notes

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in the Securities and Futures Act, Chapter 289) (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("AGM"). Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in the form of proxy. If no such proportion, the first-named proxy may be treated as representing 100 per cent of the shareholding and any second-named proxy as alternate to the first-named.

3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Companies Act").

4. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.

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The Company Secretary

BONVESTS HOLDINGS LIMITED

541 Orchard Road #16-00

Liat Towers

Singapore 238881

Second Fold Here

6. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the Registered Office at 541 Orchard Road #16-00, Liat Towers, Singapore 238881, not later than 48 hours before the time set for the AGM.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if such appointor is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorised in that behalf.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with its Constitution of the Company and Section 179 of the Companies Act.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

10. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

11. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

BONVESTS HOLDINGS LIMITED

541 ORCHARD ROAD #16-00 LIAT TOWERS SINGAPORE 238881
TEL (65) 6732 5533 FAX (65) 6738 3092
EMAIL INVESTORRELATIONS@BONVESTS.COM.SG
COMPANY REGISTRATION NO. 196900282M