Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Bonvests Holdings Limited

Stock code: B28

Meeting details:
Date: 29 April 2021
Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As noted in the corporate profile, the group has a portfolio of independent luxury hotel properties in some of the world's most desirable locations. In the group's hospitality division, the resorts are located in Tunis, Mauritius, Zanzibar, Maldives and Bintan trading under the brand name of "The Residence by Cenizaro" while the hotel portfolio includes La Maison Arabe, Marrakech, Sheraton Towers Singapore and Four Points by Sheraton Perth. The group is also building two new hotels in Douz, Tunisia and Medina of Tunis, Tunisia, both of which are scheduled to open their doors in 2022.

(i) **What is the situation on the ground at the group's resorts, especially those in more exotic locations that shareholders may be less familiar with, such as Tunis, Mauritius, Zanzibar, Marrakech? How badly impacted were the local economies when the pandemic started?**

(ii) **How dependent are the resorts on foreign tourists? What were the occupancy rates in the resorts in FY2020?**

(iii) **Can management help shareholders understand the extra safety precautions taken to keep guests and its employees safe during this pandemic?**

(iv) **Can management elaborate further on the vaccination efforts and rollouts by the local governments in the different countries where the group operates?**

(v) **Does the group have sufficient working capital to get over the pandemic especially if the recovery in international travel is slower than expected and does not happen in 2021?**

Q2. In 2020, the group acquired 20 freehold commercial properties on Murray Street, Perth, Australia for a total cash consideration of approximately $14,618,000 (AU$15,013,000).

The group has two converted office buildings located at Lot 66, 482-484 and 486-488 Murray Street, Perth (page 81), which is directly behind the group's Four Points by Sheraton Perth hotel (707 Wellington Street, Perth, Australia).

The group also holds a larger piece of land at 725 Wellington Street, Perth.

(i) **Can management help shareholders understand the reasons for its confidence in the Perth market given the group's concentration of assets in Perth (and not in other Australian cities)?**

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(ii) **Were these commercial properties acquired on an opportunistic basis? Did the group evaluate any other opportunities to acquire prime real estate arising from the COVID pandemic?**

(iii) **What were the occupancy rates of the offices and the Perth hotels?**

(iv) **Can management elaborate further on the plans for the newly acquired properties in Perth?**

Q3. As disclosed in the corporate governance report, PricewaterhouseCoopers LLP are the external auditors of the company and of its Singapore subsidiaries (except Richvein Pte Ltd). Richvein is audited by Ernst & Young LLP.

Other suitable audit firms have been engaged for some of the group's foreign subsidiaries, such as HLZ Consulting and BDO in Morocco.

(i) **Given that Richvein is a major operating subsidiary of the company, what are the reasons that the Richvein has appointed a different auditing firm?**

(ii) **On what basis did the board and AC justified that the appointment of a different auditing firm for Richvein did not compromise the standard and effectiveness of the audit?**

(iii) **In appointing Ernst & Young LLP for Richvein, can the audit committee confirm that doing so meets the requirements of Rule 716(2)?** Rule 716(2) states that an issuer may appoint different auditing firms for its subsidiaries or significant associated companies provided that the issuer's subsidiary or associated company is listed on a stock exchange.

(iv) Separately, fees paid to the external auditors for non-audit services rendered to the group amounted to $70,000 or 23% of the audit fee in FY2020. The non-audit fees were $68,000 in FY2019. **What are the non-audit services provided by the external auditors? Are these services recurring in nature?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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