

**BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

Company Registration No. 196900282M

Unaudited Financial Statements for the Period Ended 31 March 2014

Part I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	<u>Group</u>		<u>Increase/ (Decrease)</u> %
	<u>31/03/2014</u>	<u>31/03/2013</u>	
	<u>S\$'000</u>	<u>S\$'000</u>	
Revenue	49,748	44,654	11.4
Other income including interest income (Note 1a(i))	1,180	605	95.0
Changes in inventories of finished goods (Note 1a(ii))	(454)	(103)	340.8
Materials and consumables used (Note 1a(ii))	(3,595)	(3,486)	3.1
Employee benefit costs (Note 1a(iii))	(15,726)	(13,255)	18.6
Depreciation and amortisation expenses (Note 1a(iv))	(4,166)	(3,853)	8.1
Other operating expenses (Note 1a(i))	<u>(16,590)</u>	<u>(16,241)</u>	2.1
Profit from operations	10,397	8,321	24.9
Finance costs (Note 1a(vi))	<u>(829)</u>	<u>(418)</u>	98.3
Profit before taxation	9,568	7,903	21.1
Taxation (Note 1a(vii))	<u>(1,804)</u>	<u>(1,382)</u>	30.5
Net profit for the period	<u><u>7,764</u></u>	<u><u>6,521</u></u>	19.1
Attributable to:			
Equity holders of the Company	7,482	6,471	15.6
Non-controlling interests	282	50	464.0
Net profit for the period	<u><u>7,764</u></u>	<u><u>6,521</u></u>	19.1
Earnings per share			
Basic earnings per share (cents)	1.861	1.609	
Diluted earnings per share (cents)	1.861	1.609	

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

	<u>Group</u>		<u>Increase/ (Decrease)</u> %
	<u>First Quarter Ended</u>		
	<u>31/03/2014</u> <u>S\$'000</u>	<u>31/03/2013</u> <u>S\$'000</u>	
Net profit for the period	7,764	6,521	19.1
Other comprehensive (expense)/income :			
Items that may be reclassified subsequently to profit or loss :			
Currency translation adjustments on foreign operations	(788)	1,569	Nm
Financial assets, available-for-sale			
- Fair value (loss)/gain	(548)	2,147	Nm
Other comprehensive (expense)/income for the period, net of tax	<u>(1,336)</u>	<u>3,716</u>	Nm
Total comprehensive income for the period	<u><u>6,428</u></u>	<u><u>10,237</u></u>	(37.2)
Total comprehensive income attributable to:			
Equity holders of the Company	6,112	10,199	(40.1)
Non-controlling interests	316	38	731.6
Total comprehensive income for the period	<u><u>6,428</u></u>	<u><u>10,237</u></u>	(37.2)

Nm denotes Not meaningful

Explanatory Notes

Note 1a(i) Included in "Other income including interest income" and "Other operating expenses" are the following items:

	<u>Group</u>	
	<u>First Quarter Ended</u>	
	<u>31/03/2014</u>	<u>31/03/2013</u>
	<u>S\$'000</u>	<u>S\$'000</u>
after crediting (other income including interest income):		
Interest income	166	113
Fair value gain on financial assets, at fair value through profit or loss	-	315
Gain on disposal of property, plant and equipment	76	27
Foreign exchange gain (Note 1a(v))	-	20
after debiting (other operating expenses):		
Fair value loss on financial assets, at fair value through profit or loss	145	-
Property, plant and equipment written off	9	6
Foreign exchange loss (Note 1a(v))	150	-

Note 1a(ii) "Changes in inventories" and "Materials and consumables used" for the period ended 31 March 2014 increased in aggregate due mainly to higher revenue from the Hotel and Industrial Divisions.

Note 1a(iii) Employee benefit costs for the period ended 31 March 2014 increased due mainly to increase in wage related costs and headcount for the Industrial and Hotel Division.

Note 1a(iv) Depreciation and amortisation increased for the period ended 31 March 2014 due mainly to depreciation charges for property, plant and equipment for the Industrial Division.

Note 1a(v) Foreign exchange loss for the period ended 31 March 2014 was due mainly to the weakening of the United States Dollar against the Singapore Dollar.

Note 1a(vi) Finance costs for the period ended 31 March 2014 increased due mainly to higher loan amount and increase in interest rate on bank borrowings.

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

	<u>Group</u>	
	<u>First Quarter Ended</u>	
	<u>31/03/2014</u>	<u>31/03/2013</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Current taxation charge	1,183	1,561
Deferred taxation charge/(assets) recognised	589	(40)
Under/(over) provision in prior years	32	(139)
	<u>1,804</u>	<u>1,382</u>

The effective tax rate on profit for the period ended 31 March 2014 was higher than the Singapore statutory tax rate due mainly to losses incurred for certain subsidiaries which cannot be offset against the profits of other subsidiaries within the Group.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>31/03/2014</u> <u>S\$'000</u>	<u>31/12/2013</u> <u>S\$'000</u>	<u>31/03/2014</u> <u>S\$'000</u>	<u>31/12/2013</u> <u>S\$'000</u>
Non-current assets					
Investment properties		485,612	485,159	-	-
Property, plant and equipment	A	389,685	385,686	-	-
Subsidiaries		-	-	502,952	501,234
Financial assets, available-for-sale	B	32,061	32,532	-	-
Club memberships		131	131	131	131
Intangible assets		-	-	-	-
Long-term receivables		756	229	-	-
Long-term prepayments		9,574	10,063	-	-
Deferred income tax assets		8,368	8,690	-	-
		926,187	922,490	503,083	501,365
Current assets					
Inventories		3,967	4,135	-	-
Financial assets, at fair value through profit or loss	C	3,131	3,276	-	-
Trade and other receivables		23,868	23,784	141	119
Advances to subsidiaries (non-trade)		-	-	54,370	61,259
Cash and bank balances	refer to 1(c)	41,109	31,894	17,239	2,250
		72,075	63,089	71,750	63,628
Non current assets held for sale					
		289	280	-	-
Total assets		998,551	985,859	574,833	564,993
Equity attributable to equity holders of the Company					
Share capital		254,139	254,139	254,139	254,139
Retained profits	refer to 1(d)(i)	600,729	593,247	76,230	77,368
Other components of equity	refer to 1(d)(i)	(54,137)	(52,767)	-	-
		800,731	794,619	330,369	331,507
Non-controlling interests	refer to 1(d)(i)	5,735	5,419	-	-
Total equity		806,466	800,038	330,369	331,507
Non-current liabilities					
Long-term borrowings - secured	D	102,132	82,619	90,000	70,000
Long-term liabilities		9,252	9,256	-	-
Gratuity on retirement		515	517	-	-
Deferred income tax liabilities		7,300	6,723	-	-
		119,199	99,115	90,000	70,000
Current liabilities					
Trade and other payables		39,781	42,967	973	1,055
Current income tax liabilities		6,481	5,783	63	63
Short-term borrowings - secured	D	26,624	37,956	13,700	25,360
Advances from subsidiaries (non-trade)		-	-	139,728	137,008
		72,886	86,706	154,464	163,486
Total equity and liabilities		998,551	985,859	574,833	564,993

The material variances noted from the statement of financial position items as at 31 March 2014 as compared with those of 31 December 2013 are explained as follows:

- (A) "Property, plant and equipment" increased due mainly to development costs for the second hotel in Maldives and equipment and vehicles purchased for the Industrial division.
 - (B) "Financial assets, available-for-sale" decreased due mainly to fair value loss based on market value of the quoted equities.
 - (C) "Financial assets, at fair value through profit or loss" decreased due mainly to fair value loss on market value of the quoted equities.
 - (D) "Long-term borrowings - secured" and "Short-term borrowings - secured" increased in aggregate due mainly to additional drawdowns on bank facilities.
- 1(b)(ii) Aggregate amount of group's borrowings, debt securities and obligations under finance lease

	Group			
	As At 31/03/2014		As At 31/12/2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	26,624	-	37,956	-
Amount repayable after one year	102,132	-	82,619	-

Details of collaterals

The collaterals for the group's secured borrowings as at 31 March 2014 are as follows :

- Freehold properties, equipment and business of a foreign subsidiary
- First legal mortgage, rental proceeds, interests in tenancy agreements and insurance policies of the investment property at 541 Orchard Road, Singapore
- First legal mortgage, rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies of the hotel at 39 Scotts Road, Singapore

The collaterals for the group's finance lease as at 31 March 2014 are the equipment and vehicles of a local subsidiary.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows

	Group	
	First Quarter Ended	
	31/03/2014	31/03/2013
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before income tax	9,568	7,903
Adjustments for:		
Amortisation of deferred expenditure	-	61
Depreciation of property, plant and equipment	4,166	3,792
Dividend income	(2)	(1)
Interest income	(166)	(113)
Gain on disposal of property, plant and equipment	(76)	(27)
Property, plant and equipment written off	9	6
Fair value loss/(gain) on financial assets at fair value through profit or loss	145	(315)
Interest expense	829	418
Replaced components of improvements to investment properties written off	4	-
Operating profit before working capital changes	<u>14,477</u>	<u>11,724</u>
Decrease in inventories	168	127
Increase in operating receivables	(519)	(2,026)
Decrease in operating payables	(3,068)	(7,755)
Proceeds from discharge of fixed deposits pledged with the bank	-	1,000
Cash generated from operations	<u>11,058</u>	<u>3,070</u>
Income tax paid	(478)	(641)
Net cash generated from operating activities	<u>10,580</u>	<u>2,429</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(8,677)	(2,316)
Payment for long-term prepayment	-	(792)
Purchase of investment properties	(8)	-
Purchase of available-for-sale financial assets	(76)	-
Proceeds from disposal of property, plant and equipment	137	27
Payment for deferred expenditure	-	(9)
Investment income		
- Interest received	166	113
- Dividends received	2	1
Net cash used in investing activities	<u>(8,456)</u>	<u>(2,976)</u>
Cash Flows from Financing Activities		
Proceeds from/(repayment of) bank borrowings	8,291	(42)
Repayment of finance lease	(745)	-
Interest paid	(829)	(418)
Net cash generated from/(used in) financing activities	<u>6,717</u>	<u>(460)</u>
Net increase/(decrease) in cash and cash equivalents	8,841	(1,007)
Effect of foreign exchange rate changes	57	(61)
Cash and cash equivalents at beginning	<u>31,600</u>	<u>30,332</u>
Cash and cash equivalents at end (Note A)	<u><u>40,498</u></u>	<u><u>29,264</u></u>

Note A**Cash and cash equivalents**

Cash and cash equivalents comprise:

Cash and bank balances

Fixed deposits

Less : Bank overdrafts

	Group	
	First Quarter Ended	
	31/03/2014	31/03/2013
	S\$'000	S\$'000
	17,166	16,498
	23,943	13,612
	(611)	(846)
	<u>40,498</u>	<u>29,264</u>

- 1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statement of Changes in Equity

The Group	Attributable to equity holders of the Company							Non-controlling interests	Total equity
	Share capital	Retained profits	Revaluation surplus reserve	Fair value reserve	Currency translation reserve	Premium paid on acquisition of non-controlling interests	Total		
Balance at 1 Jan 2014	<u>S\$'000</u> 254,139	<u>S\$'000</u> 593,247	<u>S\$'000</u> 13,583	<u>S\$'000</u> 15,953	<u>S\$'000</u> (45,890)	<u>S\$'000</u> (36,413)	<u>S\$'000</u> 794,619	<u>S\$'000</u> 5,419	<u>S\$'000</u> 800,038
Changes in equity for the period									
Total comprehensive income/(expense) for the period	-	7,482	-	(548)	(822)	-	6,112	316	6,428
Balance at 31 March 2014	254,139	600,729	13,583	15,405	(46,712)	(36,413)	800,731	5,735	806,466
Balance at 1 Jan 2013	254,139	541,844	13,583	843	(49,615)	(36,412)	724,382	5,047	729,429
Changes in equity for the period									
Total comprehensive income for the period	-	6,471	-	2,147	1,581	-	10,199	38	10,237
Balance at 31 March 2013	254,139	548,315	13,583	2,990	(48,034)	(36,412)	734,581	5,085	739,666

The Company	Share capital	Retained profits	Total equity
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at 1 Jan 2014	254,139	77,368	331,507
Changes in equity for the period			
Total comprehensive expense for the period	-	(1,138)	(1,138)
Balance at 31 March 2014	254,139	76,230	330,369
Balance at 1 Jan 2013	254,139	42,114	296,253
Changes in equity for the period			
Total comprehensive income for the period	-	9,523	9,523
Balance at 31 March 2013	254,139	51,637	305,776

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There has been no changes in the company's share capital since the end of the previous period reported on.

The company has no treasury shares and no outstanding options.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

There were no treasury shares as at 31 March 2014 and 31 December 2013. The total number of issued shares as at 31 March 2014 was 402,167,668 (31 December 2013: 402,167,668).

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") relevant to its operations and effective for annual periods beginning on or after 1 January 2014.

The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies nor had any significant impact on the Group's financial statements.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share after deducting any provision for preference dividends:	Group	
	First Quarter Ended 31/03/2014	First Quarter Ended 31/03/2013
Based on weighted average number of ordinary shares in issue (cents)	1.861	1.609
On a fully diluted basis (cents)	1.861	1.609

As at 31 March 2014, there was no outstanding share options.

- 7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Net asset value per ordinary share (S\$)	1.99	1.98	0.82	0.82

The net asset values per ordinary share as at 31 March 2014 and 31 December 2013 were calculated based on 402,167,668 ordinary shares.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Segment Revenue	Group		Increase/ (Decrease) %
	First Quarter Ended		
	31/03/2014 S\$'000	31/03/2013 S\$'000	
Property - Rental	6,358	6,809	(6.6)
Hotel	29,552	26,127	13.1
Industrial	13,836	11,718	18.1
Investment	2	-	Nm
Property - Development	-	-	Nm
Total	49,748	44,654	11.4
Segment Results	Group		Increase/ (Decrease) %
	First Quarter Ended		
	31/03/2014 S\$'000	31/03/2013 S\$'000	
Property - Rental	4,420	4,829	(8.5)
Hotel	4,577	2,670	71.4
Industrial	1,684	559	201.3
Investment	(151)	308	Nm
Property - Development	(2)	(1)	100.0
Others ¹	(297)	(158)	88.0
Finance costs	10,231	8,207	24.7
Interest income	(829)	(418)	98.3
Dividend income from financial assets, at fair value through profit or loss	166	113	46.9
	-	1	Nm
Profit before taxation	9,568	7,903	21.1

Nm denotes Not meaningful

¹ Others include Corporate expenses

FIRST QUARTER 2014 ANNOUNCEMENT

Overall Performance of the Group

The revenue of the Group for the quarter ended 31 March 2014 ('1Q2014') of S\$49.748 million increased by 11.4% from S\$44.654 million for the quarter ended 31 March 2013 ('1Q2013'). This was due mainly to higher revenue from the Hotel and Industrial Divisions partially offset by lower revenue from the Property - Rental Division.

Profit before taxation for 1Q2014 of S\$9.568 million increased by 21.1% from S\$7.903 million for 1Q2013. This was due mainly to higher contributions from the Hotel and Industrial Divisions partially offset by lower contributions from the Property - Rental Division, loss from the Investment Division and higher finance costs.

Property- Rental Division

Revenue for the Property - Rental Division of S\$6.358 million for 1Q2014 decreased by 6.6% from S\$6.809 million for 1Q2013 due mainly to lower occupancy and rental rates.

Segment profit of S\$4.420 million for 1Q2014 decreased by 8.5% from 1Q2013 profit of S\$4.829 million due mainly to the lower revenue.

Hotel Division

Revenue for the Hotel Division of S\$29.552 million for 1Q2014 increased by 13.1% from S\$26.127 million for 1Q2013 due mainly to higher revenue from the hotel in Singapore (whose renovations were completed towards the end of the second quarter of 2013) and the hotel in Maldives.

Segment profit of S\$4.577 million for 1Q2014 increased by 71.4% from 1Q2013 profit of S\$2.670 million due mainly to the increase in revenue.

Industrial Division

Revenue for the Industrial Division of S\$13.836 million for 1Q2014 increased by 18.1% from S\$11.718 million for 1Q2013 following the successful tender for the refuse collection services to domestic and trade premises in the Jurong sector at higher rates, new contracts secured and renewal of existing contracts at higher rates.

Segment profit of S\$1.684 million for 1Q2014 increased by 201.3% from 1Q2013 profit of S\$0.559 million due mainly to the increase in revenue.

Investment Division

Revenue for Investment Division of S\$0.002 million for 1Q2014 was due to dividends received.

Segment loss of S\$0.151 million for 1Q2014 as compared with segment profit of S\$0.308 million for 1Q2013 due mainly to fair value loss in 1Q2014 on the market value of quoted equities, compared to fair value gain in 1Q2013.

Property - Development Division

Since the completion of the villas development project in Tunisia in 2008, the group has not embarked on any new property development project. Segmental losses of S\$0.002 million for 1Q2014 and S\$0.001 million for 1Q2013 were due to general and administrative expenses incurred.

Statement of Cash Flows

First Quarter 2014

Net increase in cash and cash equivalents of S\$8.841 million was due to net cash generated from operating activities of S\$10.580 million and financing activities of S\$6.717 million, partially offset by net cash used in investing activities of S\$8.456 million. For details, please refer to Part 1(c).

Net cash used in investing activities was due mainly to development costs for the second hotel in Maldives and equipment and vehicles purchased for the Industrial division.

Net cash generated from financing activities was due mainly to proceeds from bank borrowings.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The property rental market in Singapore and Tunis is expected to remain stable in the near term.

Whilst we look forward with cautious optimism for the Hotel Division, the market conditions in the countries in which the Hotel Division operates are expected to remain challenging. Construction has commenced for the Group's second Maldives hotel. Tender has also been called for the construction for the Group's hotel in Bintan and evaluation is ongoing.

The Industrial Division will continue to face competitive market conditions.

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

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

Note 10a The above note contains forward looking statements that involve a fair amount of uncertainties pertaining to future operating conditions. Actual future performance may differ from those views expressed as a result of a number of uncertainties and assumptions such as the general economy and industry conditions, level of market competition and shift in supply or demand patterns. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11 **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

12 **If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

13 **If no IPT mandate has been obtained, a statement to that effect**

Bonvests Holdings Limited has not obtained a general mandate from shareholders.

14 **Confirmation pursuant to Rule 705(5) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Directors which may render the interim financial statements to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Foo Soon Soo

Company Secretary

8 May 2014