



**BUND CENTER INVESTMENT LTD**

**Half Year Financial Statement And Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2017**

	<b>1st Half 2017 S\$'000</b>	<b>1st Half 2016 S\$'000</b>	<b>Change %</b>	<b>2nd Qtr 2017 S\$'000</b>	<b>2nd Qtr 2016 S\$'000</b>	<b>Change %</b>
Revenue	61,977	66,336	(6.6)	32,088	34,007	(5.6)
Cost of sales	<u>(28,489)</u>	<u>(31,119)</u>	(8.5)	<u>(14,233)</u>	<u>(14,630)</u>	(2.7)
Gross profit	<u>33,488</u>	<u>35,217</u>	(4.9)	<u>17,855</u>	<u>19,377</u>	(7.9)
Operating expenses						
Selling expenses	(3,290)	(3,328)	(1.1)	(1,713)	(1,823)	(6.0)
General and administrative expenses	<u>(10,345)</u>	<u>(10,596)</u>	(2.4)	<u>(5,268)</u>	<u>(5,037)</u>	4.6
Total operating expenses	<u>(13,635)</u>	<u>(13,924)</u>	(2.1)	<u>(6,981)</u>	<u>(6,860)</u>	1.8
Operating profit	19,853	21,293	(6.8)	10,874	12,517	(13.1)
Financial income	974	1,369	(28.9)	576	334	72.5
Financial expenses	(4)	(275)	(98.5)	(2)	(2)	-
Other operating income/(expenses), net	<u>1,436</u>	<u>3,996</u>	(64.1)	<u>(1,608)</u>	<u>4,287</u>	n.m.
Profit before income tax	22,259	26,383	(15.6)	9,840	17,136	(42.6)
Income tax	<u>(7,334)</u>	<u>(8,913)</u>	(17.7)	<u>(3,254)</u>	<u>(5,848)</u>	(44.4)
Total profit for the period	<u>14,925</u>	<u>17,470</u>	(14.6)	<u>6,586</u>	<u>11,288</u>	(41.7)
Attributable to:						
Owners of the Company	14,372	16,790	(14.4)	6,347	10,866	(41.6)
Non-controlling interests	<u>553</u>	<u>680</u>	(18.7)	<u>239</u>	<u>422</u>	(43.4)
	<u>14,925</u>	<u>17,470</u>	(14.6)	<u>6,586</u>	<u>11,288</u>	(41.7)

Note: n.m. – not meaningful

**1(a) A statement of total comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2017**

	<b>1st Half 2017 S\$'000</b>	<b>1st Half 2016 S\$'000</b>	<b>2nd Qtr 2017 S\$'000</b>	<b>2nd Qtr 2016 S\$'000</b>
Total profit for the period	14,925	17,470	6,586	11,288
<b>Other comprehensive income/(loss):</b>				
<u>Items that may be reclassified subsequently to the profit or loss:</u>				
Foreign currency difference arising from consolidation, net of tax	(9,211)	(31,863)	1,110	(12,225)
<b>Total comprehensive income/(loss) for the period</b>	<u>5,714</u>	<u>(14,393)</u>	<u>7,696</u>	<u>(937)</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	5,552	(13,881)	7,457	(874)
Non-controlling interests	162	(512)	239	(63)
	<u>5,714</u>	<u>(14,393)</u>	<u>7,696</u>	<u>(937)</u>

**ADDITIONAL INFORMATION**

	<b>1st Half 2017 S\$'000</b>	<b>1st Half 2016 S\$'000</b>	<b>Change %</b>	<b>2nd Qtr 2017 S\$'000</b>	<b>2nd Qtr 2016 S\$'000</b>	<b>Change %</b>
<b>Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation and foreign exchange loss ("EBITDA")</b>	35,563	39,265	(9.4)	17,160	23,140	(25.8)
Interest on borrowings	(4)	(275)	(98.5)	(2)	(2)	-
Depreciation and amortisation	(11,116)	(11,088)	0.3	(5,534)	(5,475)	1.1
Foreign exchange loss	(2,184)	(1,519)	43.8	(1,784)	(527)	238.5
Profit before income tax	<u>22,259</u>	<u>26,383</u>	(15.6)	<u>9,840</u>	<u>17,136</u>	(42.6)

**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**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	As at 30/6/2017 S\$'000	As at 31/12/2016 S\$'000	As at 30/6/2017 S\$'000	As at 31/12/2016 S\$'000
<b><u>Assets</u></b>				
Current Assets				
Cash and cash equivalents	79,237	60,553	107	544
Short-term investments	1,105	1,132	-	-
Trade receivables and other current assets	5,478	4,269	13,541	14,251
Inventories, at cost	486	488	-	-
	86,306	66,442	13,648	14,795
Non-Current Assets				
Interest in subsidiaries	-	-	410,659	410,659
Investment properties	216,422	227,942	-	-
Property, plant and equipment	170,688	179,712	-	-
Deferred tax assets	4,623	4,880	-	-
Deferred charges	617	639	-	-
	392,350	413,173	410,659	410,659
<b>Total Assets</b>	<b>478,656</b>	<b>479,615</b>	<b>424,307</b>	<b>425,454</b>
<b><u>Liabilities and Equity</u></b>				
Current Liabilities				
Trade and other payables	28,117	29,607	3	299
Income tax payable	3,071	7,608	-	-
Obligations under finance lease	70	70	-	-
	31,258	37,285	3	299
Non-Current Liabilities				
Long-term liabilities	8,982	10,080	-	-
Obligations under finance lease	198	233	-	-
Deferred tax liabilities	2,603	2,116	-	-
	11,783	12,429	-	-
<b>Total Liabilities</b>	43,041	49,714	3	299
Equity Attributable to Owners of the Company				
Share capital	105,784	105,784	105,784	105,784
Share premium	304,881	304,881	304,881	304,881
Treasury shares	(1,498)	(1,498)	(1,498)	(1,498)
Asset revaluation reserve	65,175	65,175	-	-
Merger reserve	(133,639)	(133,639)	-	-
Foreign currency translation reserve	41,370	50,190	-	-
Retained earnings	37,142	22,770	15,137	15,988
	419,215	413,663	424,304	425,155
Non-Controlling Interests	16,400	16,238	-	-
<b>Total Equity</b>	435,615	429,901	424,304	425,155
<b>Total Liabilities and Equity</b>	<b>478,656</b>	<b>479,615</b>	<b>424,307</b>	<b>425,454</b>

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30/6/2017			As at 31/12/2016		
	Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
Amount repayable in one year or less, or on demand	70	-	70	70	-	70
Amount repayable after one year	198	-	198	233	-	233
<b>Total</b>	<b>268</b>	<b>-</b>	<b>268</b>	<b>303</b>	<b>-</b>	<b>303</b>

### Details of any collateral

The secured borrowings were collateralised by certain property, plant and equipment.

## 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

### UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2017

	1st Half 2017 S\$'000	1st Half 2016 S\$'000	2nd Qtr 2017 S\$'000	2nd Qtr 2016 S\$'000
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	<b>22,259</b>	<b>26,383</b>	<b>9,840</b>	<b>17,136</b>
Adjustments for:				
Depreciation of property, plant and equipment	5,050	4,797	2,514	2,379
Depreciation of investment properties	6,055	6,277	3,015	3,089
Amortisation of deferred charges	11	14	5	7
Changes in fair value of financial assets at fair value through profit or loss	-	181	-	7
Property, plant and equipment written off	2	8	2	2
Interest income	(974)	(1,369)	(576)	(334)
Interest expense	4	275	2	2
Unrealised foreign exchange loss	2,108	2,098	1,164	1,591
Operating cash flows before working capital changes	34,515	38,664	15,966	23,879
Changes in working capital:				
Trade receivables and other current assets	(1,210)	(2,740)	(831)	(2,843)
Inventories	2	(59)	13	37
Trade and other payables	(2,588)	1,381	(1,006)	2,802
Cash generated from operations	30,719	37,246	14,142	23,875
Income tax paid	(11,044)	(8,121)	(3,499)	(2,693)
Interest received	975	1,369	579	334
Interest paid	(4)	(275)	(2)	(2)
<b>Net cash from operating activities</b>	<b>20,646</b>	<b>30,219</b>	<b>11,220</b>	<b>21,514</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	3	-	-
Capital expenditure on property, plant and equipment	(316)	(1,349)	(157)	(993)
Payment for deferred expenditure	(4)	-	-	-
<b>Net cash used in investing activities</b>	<b>(320)</b>	<b>(1,346)</b>	<b>(157)</b>	<b>(993)</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2017 (cont'd)**

	<b>1st Half 2017 S\$'000</b>	<b>1st Half 2016 S\$'000</b>	<b>2nd Qtr 2017 S\$'000</b>	<b>2nd Qtr 2016 S\$'000</b>
<b>Cash flows from financing activities</b>				
Repayments of obligations under finance lease	(35)	(53)	(18)	(12)
Repayments of long-term borrowings	-	(53,960)	-	-
Payment of dividends to owners of the Company	-	(32,627)	-	(32,627)
<b>Net cash used in financing activities</b>	<b>(35)</b>	<b>(86,640)</b>	<b>(18)</b>	<b>(32,639)</b>
Net increase/(decrease) in cash and cash equivalents	20,291	(57,767)	11,045	(12,118)
Cash and cash equivalents at beginning of the period	60,553	120,516	68,232	70,466
Effect of exchange rate changes on balances of cash held in foreign currencies	(1,607)	(6,265)	(40)	(1,864)
<b>Cash and cash equivalents at end of the period</b>	<b>79,237</b>	<b>56,484</b>	<b>79,237</b>	<b>56,484</b>

**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**

<b><u>The Company</u></b>	<b>Share Capital S\$'000</b>	<b>Share Premium S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total S\$'000</b>
Balance as at 1 Jan 2017	105,784	304,881	(1,498)	15,988	425,155
Total comprehensive loss for the period	-	-	-	(551)	(551)
Balance as at 31 Mar 2017	105,784	304,881	(1,498)	15,437	424,604
Total comprehensive loss for the period	-	-	-	(300)	(300)
Balance as at 30 Jun 2017	105,784	304,881	(1,498)	15,137	424,304
Balance as at 1 Jan 2016	105,784	304,881	(1,498)	42,212	451,379
Total comprehensive loss for the period	-	-	-	(1,904)	(1,904)
Balance as at 31 Mar 2016	105,784	304,881	(1,498)	40,308	449,475
Total comprehensive loss for the period	-	-	-	(1,415)	(1,415)
Dividends paid for 2015	-	-	-	(32,627)	(32,627)
Balance as at 30 Jun 2016	105,784	304,881	(1,498)	6,266	415,433

**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**

<b>The Group</b>	← Attributable to Owners of the Company →									
	Share Capital	Share Premium	Treasury Shares	Asset Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2017	105,784	304,881	(1,498)	65,175	(133,639)	50,190	22,770	413,663	16,238	429,901
Profit for the period	-	-	-	-	-	-	8,025	8,025	314	8,339
Other comprehensive loss for the period – Foreign currency translation	-	-	-	-	-	(9,930)	-	(9,930)	(391)	(10,321)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(9,930)	8,025	(1,905)	(77)	(1,982)
Balance as at 31 Mar 2017	105,784	304,881	(1,498)	65,175	(133,639)	40,260	30,795	411,758	16,161	427,919
Profit for the period	-	-	-	-	-	-	6,347	6,347	239	6,586
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	1,110	-	1,110	-	1,110
Total comprehensive income for the period	-	-	-	-	-	1,110	6,347	7,457	239	7,696
Balance as at 30 Jun 2017	105,784	304,881	(1,498)	65,175	(133,639)	41,370	37,142	419,215	16,400	435,615

**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**

<b>The Group</b>	← Attributable to Owners of the Company →								Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Asset Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2016	105,784	304,881	(1,498)	65,175	(133,639)	69,474	51,608	461,785	16,997	478,782
Profit for the period	-	-	-	-	-	-	5,924	5,924	258	6,182
Other comprehensive loss for the period – Foreign currency translation	-	-	-	-	-	(18,931)	-	(18,931)	(707)	(19,638)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(18,931)	5,924	(13,007)	(449)	(13,456)
Balance as at 31 Mar 2016	105,784	304,881	(1,498)	65,175	(133,639)	50,543	57,532	448,778	16,548	465,326
Profit for the period	-	-	-	-	-	-	10,866	10,866	422	11,288
Other comprehensive loss for the period – Foreign currency translation	-	-	-	-	-	(11,740)	-	(11,740)	(485)	(12,225)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(11,740)	10,866	(874)	(63)	(937)
Dividends paid for 2015	-	-	-	-	-	-	(32,627)	(32,627)	-	(32,627)
Balance as at 30 Jun 2016	105,784	304,881	(1,498)	65,175	(133,639)	38,803	35,771	415,277	16,485	431,762

**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 were no movements in the Company's issued capital since 31 December 2016. The Company's issued and paid-up share capital (excluding 1,721,027 shares held as treasury shares) comprised 758,768,832 shares of US\$0.10 each as at 30 June 2017 and 2016.

**1(d)(iii) To show the 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.**

The total number of issued shares excluding treasury shares as at 30 June 2017 and 31 December 2016 are 758,768,832 ordinary shares of US\$0.10 each.

**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**

There were no changes in the number of ordinary shares held as treasury shares by the Company since 31 December 2016.

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

These figures have not been audited, or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 Note 5 below, the Group has applied the same accounting policies and methods of computation consistent with those used in the audited consolidated financial statements for the year ended 31 December 2016.

**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 has adopted various new and amendments to the International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for the period beginning 1 January 2017. The adoption of these new and amendments to the IFRSs has had no material impact on the true and fair presentation of 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**

	<b>The Group</b>			
	<b>1st Half 2017</b>	<b>1st Half 2016</b>	<b>2nd Qtr 2017</b>	<b>2nd Qtr 2016</b>
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	SGD1.89cents	SGD2.21cents	SGD0.84cents	SGD1.43cents
- Weighted average numbers of shares	758,768,832	758,768,832	758,768,832	758,768,832
(ii) On a fully diluted basis	Not applicable	Not applicable	Not applicable	Not applicable

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

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 Jun 2017</b>	<b>As at 31 Dec 2016</b>	<b>As at 30 Jun 2017</b>	<b>As at 31 Dec 2016</b>
Net asset value per ordinary share based on existing issued share capital of 758,768,832	S\$0.55	S\$0.55	S\$0.56	S\$0.56

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Revenue and gross profit breakdown by segment:**

	<b>1st Half 2017 S\$'000</b>	<b>1st Half 2016 S\$'000</b>	<b>Change %</b>
<b>Revenue from:</b>			
Hotel	32,835	32,455	1.2
Property leasing	29,142	33,881	(14.0)
Total revenue	<u>61,977</u>	<u>66,336</u>	(6.6)
<b>Gross Profit from:</b>			
Hotel	16,157	14,722	9.7
Property leasing	17,331	20,495	(15.4)
Total gross profit	<u>33,488</u>	<u>35,217</u>	(4.9)
<b>Gross Profit Margin</b>			
Hotel	49.2%	45.4%	3.8
Property leasing	59.5%	60.5%	(1.0)
Overall	<u>54.0%</u>	<u>53.1%</u>	0.9

## **REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2017**

The Group recorded revenue and EBITDA of S\$62.0 million and S\$35.6 million respectively for half year ended 30 June 2017 (“1H2017”) as compared to S\$66.3 million and S\$39.3 million respectively in the corresponding period in 2016 (“1H2016”).

### **REVENUE**

The Group’s revenue was 6.6% lower at S\$62.0 million in 1H2017 primarily attributable to lower leasing income from our investment properties and the translation effect of weakening of Chinese Renminbi (“RMB”) against Singapore dollar.

Hotel revenue increased marginally by 1.2% to S\$32.8 million in 1H2017 despite the weakening RMB. This was mainly due to higher average occupancy rate supported by higher demand from increased tourist arrivals in Shanghai as well as higher revenue contribution from meetings, incentives, conventions and exhibitions (MICE). Average occupancy rate and average room rate were higher at 83.7% and RMB1,240 respectively in the current period.

Leasing income decreased by 14.0% to S\$29.1 million in 1H2017 mainly due to lower average leasing occupancy rate for both retail complex and office tower, as well as the effect of weakening RMB. The average vacancy rate for our office tower increased slightly during the current period as certain leases expired while the new leases only commenced from the second half of 2017. Leasing income from our retail complex decreased by S\$1.0 million in 1H2017 in line with the lower retail revenue in view of competitive operating environment.

### **GROSS PROFIT**

The Group’s gross profit decreased by 4.9% to S\$33.5 million in 1H2017 in line with the lower revenue recorded. However, the Group’s gross profit margin was higher at 54.0% as compared to 53.1% in 1H2016 mainly due to lower business tax expenses following the change in indirect tax policies in China since the second quarter of 2016.

### **OPERATING EXPENSES**

Total operating expenses remained fairly constant at S\$13.6 million in the current period. Selling expenses of S\$3.3 million mainly comprised advertising and promotion expenses, salaries and related expenses and marketing expenses. General and administrative expenses of S\$10.3 million mainly comprised salaries and related expenses, office and hotel supplies, repair and maintenance, professional fees and management fee payable to the hotel operator.

### **FINANCIAL INCOME, NET**

Financial income (net of financial expenses) decreased from S\$1.1 million in 1H2016 to S\$1.0 million in the current period mainly due to lower interest income in line with lower average time deposits.

### **OTHER OPERATING INCOME, NET**

Net other operating income mainly comprised business assistance grants, advertising income and other miscellaneous income, after deducting the net foreign exchange loss. The Group’s net operating income decreased from S\$4.0 million in 1H2016 to S\$1.4 million mainly due to lower business assistance grants and lower miscellaneous income from tenants received during the current period.

## **INCOME TAX**

Income tax represents corporate income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

Income tax expense decreased by 17.7% to S\$7.3 million in 1H2017 in line with lower taxable profit reported in certain subsidiaries.

## **REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2017**

### **ASSETS**

The Group's total assets of S\$478.7 million mainly consist of investment properties of S\$216.4 million; property, plant and equipment of S\$170.7 million and cash and cash equivalents of S\$79.2 million. Total assets was lowered by S\$1.0 million as compared to S\$479.6 million as at 31 December 2016 mainly attributable to lower book value of investment properties and property, plant and equipment arising from translation effect of weakening RMB and depreciation expenses recorded for the current period, partially offset by higher cash and cash equivalents.

### **LIABILITIES**

The Group's total liabilities decreased by S\$6.7 million to S\$43.0 million as at 30 June 2017 mainly due to lower income tax payable and other payables following payment made during the current period.

## **REVIEW OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2017**

Cash and cash equivalents were higher at S\$79.2 million as at 30 June 2017 mainly resulting from net cash generated from operating activities of S\$20.6 million, net of cash used for capital expenditure of S\$0.3 million in 1H2017.

**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 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 outlook for our hotel operations remains stable supported by increased visitor arrivals in Shanghai and increased MICE activities. Despite increasing demand for office space in Shanghai from financial and consultancy companies, the operating environment for our leasing operations remains challenging in view of the increase in supply of new office in Shanghai and the moving out of New World Departmental Store from our retail complex during the second half of 2017. The Group will continue to adopt flexible marketing strategies to improve rental yield and cost efficiency to enhance its operating performance.

**11. Dividend**

***(a) Current Financial Period Reported On***

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

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any ordinary 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/recommendeded, a statement to that effect**

No interim dividend has been declared for the second quarter ended 30 June 2017.

**13. Interested persons transactions disclosure**

There is no relevant interested persons transaction entered into during the half year ended 30 June 2017.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

**16. A breakdown of sales**

Not applicable.

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

**18. Confirmation pursuant to the rule 705(5) of the listing manual**

We, Frankle (Djafar) Widjaja and Chew Yow Foo, being two directors of Bund Center Investment Ltd (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the second quarter and half year ended 30 June 2017 unaudited financial results to be false or misleading.

On behalf of the board of directors

Frankle (Djafar) Widjaja  
Director

Chew Yow Foo  
Director

**19. Confirmation pursuant to the rule 720(1) of the listing manual**

The Company confirms that it has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Frankle (Djafar) Widjaja  
Director  
14 August 2017

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 14 August 2017 to the SGX