



BUND CENTER INVESTMENT LTD

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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 2016**

	1st Half 2016 S\$'000	1st Half 2015 S\$'000	Change %	2nd Qtr 2016 S\$'000	2nd Qtr 2015 S\$'000	Change %
Revenue	66,336	69,801	(5.0)	34,007	36,452	(6.7)
Cost of sales	<u>(31,119)</u>	<u>(32,926)</u>	(5.5)	<u>(14,630)</u>	<u>(16,524)</u>	(11.5)
Gross profit	<u>35,217</u>	<u>36,875</u>	(4.5)	<u>19,377</u>	<u>19,928</u>	(2.8)
Operating expenses						
Selling expenses	(3,328)	(3,159)	5.3	(1,823)	(1,775)	2.7
General and administrative expenses	<u>(10,596)</u>	<u>(11,998)</u>	(11.7)	<u>(5,037)</u>	<u>(5,600)</u>	(10.1)
Total operating expenses	<u>(13,924)</u>	<u>(15,157)</u>	(8.1)	<u>(6,860)</u>	<u>(7,375)</u>	(7.0)
Operating profit	21,293	21,718	(2.0)	12,517	12,553	(0.3)
Financial income	1,369	1,353	1.2	334	747	(55.3)
Financial expenses	(275)	(440)	(37.5)	(2)	(164)	(98.8)
Other operating income, net	<u>3,996</u>	<u>6,003</u>	(33.4)	<u>4,287</u>	<u>5,841</u>	(26.6)
Profit before income tax	26,383	28,634	(7.9)	17,136	18,977	(9.7)
Income tax	<u>(8,913)</u>	<u>(8,929)</u>	(0.2)	<u>(5,848)</u>	<u>(6,110)</u>	(4.3)
Total profit for the period	<u>17,470</u>	<u>19,705</u>	(11.3)	<u>11,288</u>	<u>12,867</u>	(12.3)
Attributable to:						
Owners of the Company	16,790	18,965	(11.5)	10,866	12,404	(12.4)
Non-controlling interests	<u>680</u>	<u>740</u>	(8.1)	<u>422</u>	<u>463</u>	(8.9)
	<u>17,470</u>	<u>19,705</u>	(11.3)	<u>11,288</u>	<u>12,867</u>	(12.3)

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 2016**

	1st Half 2016 S\$'000	1st Half 2015 S\$'000	2nd Qtr 2016 S\$'000	2nd Qtr 2015 S\$'000
Total profit for the period	17,470	19,705	11,288	12,867
Other comprehensive (loss)/income:				
<u>Items that may be reclassified subsequently to the profit or loss:</u>				
Foreign currency difference arising from consolidation, net of tax	(31,863)	8,569	(12,225)	(10,585)
Total comprehensive (loss)/income for the period	<u>(14,393)</u>	<u>28,274</u>	<u>(937)</u>	<u>2,282</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(13,881)	27,220	(874)	2,216
Non-controlling interests	(512)	1,054	(63)	66
	<u>(14,393)</u>	<u>28,274</u>	<u>(937)</u>	<u>2,282</u>

ADDITIONAL INFORMATION

	1st Half 2016 S\$'000	1st Half 2015 S\$'000	Change %	2nd Qtr 2016 S\$'000	2nd Qtr 2015 S\$'000	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation and foreign exchange (loss)/gain ("EBITDA")	39,265	40,817	(3.8)	23,140	24,457	(5.4)
Interest on borrowings	(275)	(440)	(37.5)	(2)	(164)	(98.8)
Depreciation and amortisation	(11,088)	(11,454)	(3.2)	(5,475)	(5,709)	(4.1)
Foreign exchange (loss)/gain, net	(1,519)	(289)	n.m.	(527)	393	n.m.
Profit before income tax	<u>26,383</u>	<u>28,634</u>	(7.9)	<u>17,136</u>	<u>18,977</u>	(9.7)

n.m. – not meaningful

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 30/6/2016 S\$'000	As at 31/12/2015 S\$'000	As at 30/6/2016 S\$'000	As at 31/12/2015 S\$'000
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	56,484	120,516	458	170
Short-term investments	1,040	1,305	-	-
Trade receivables and other current assets	7,433	4,693	4,319	40,836
Inventories, at cost	504	445	-	-
	65,461	126,959	4,777	41,006
Non-Current Assets				
Interest in subsidiaries	-	-	410,659	410,659
Investment properties	228,525	251,927	-	-
Property, plant and equipment	179,976	196,458	-	-
Deferred tax assets	4,903	5,416	-	-
Deferred charges	637	699	-	-
	414,041	454,500	410,659	410,659
Total Assets	479,502	581,459	415,436	451,665
<u>Liabilities and Equity</u>				
Current Liabilities				
Borrowings	-	56,624	-	-
Trade and other payables	27,144	26,543	3	286
Income tax payable	4,605	5,658	-	-
Obligations under finance lease	70	19	-	-
	31,819	88,844	3	286
Non-Current Liabilities				
Long-term liabilities	12,602	11,822	-	-
Obligations under finance lease	268	22	-	-
Deferred tax liabilities	3,051	1,989	-	-
	15,921	13,833	-	-
Total Liabilities	47,740	102,677	3	286
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	38,803	69,474	-	-
Retained earnings	35,771	51,608	6,266	42,212
	415,277	461,785	415,433	451,379
Non-Controlling Interests	16,485	16,997	-	-
Total Equity	431,762	478,782	415,433	451,379
Total Liabilities and Equity	479,502	581,459	415,436	451,665

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

	As at 30/6/2016			As at 31/12/2015		
	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	56,643	-	56,643
Amount repayable after one year	268	-	268	22	-	22
Total	338	-	338	56,665	-	56,665

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 2016

	1st Half 2016 S\$'000	1st Half 2015 S\$'000	2nd Qtr 2016 S\$'000	2nd Qtr 2015 S\$'000
Cash flows from operating activities				
Profit before income tax	26,383	28,634	17,136	18,977
Adjustments for:				
Depreciation of property, plant and equipment	4,797	4,952	2,379	2,473
Depreciation of investment properties	6,277	6,487	3,089	3,228
Amortisation of deferred charges	14	15	7	8
Changes in fair value of financial assets at fair value through profit or loss	181	(942)	7	(318)
Gain on disposal of property, plant and equipment	-	(63)	-	(63)
Property, plant and equipment written off	8	6	2	6
Interest income	(1,369)	(1,353)	(334)	(747)
Interest expense	275	440	2	164
Unrealised foreign exchange loss/(gain), net	2,098	(283)	1,591	163
Operating cash flows before working capital changes	38,664	37,893	23,879	23,891
Changes in working capital:				
Trade receivables and other current assets	(2,740)	2,893	(2,843)	4,365
Inventories	(59)	18	37	2
Trade and other payables	1,381	(4,342)	2,802	(8,566)
Cash generated from operations	37,246	36,462	23,875	19,692
Income tax paid	(8,121)	(6,647)	(2,693)	(2,709)
Interest received	1,369	1,358	334	752
Interest paid	(275)	(440)	(2)	(164)
Net cash from operating activities	30,219	30,733	21,514	17,571
Cash flows from investing activities				
Capital expenditure on property, plant and equipment	(1,349)	(281)	(993)	(203)
Proceeds from disposal of property, plant and equipment	3	97	-	97
Net cash used in investing activities	(1,346)	(184)	(993)	(106)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2016 (cont'd)**

	1st Half 2016 S\$'000	1st Half 2015 S\$'000	2nd Qtr 2016 S\$'000	2nd Qtr 2015 S\$'000
Cash flows from financing activities				
Repayments of obligations under finance lease	(53)	(10)	(12)	(5)
Repayments of long-term borrowings	(53,960)	-	-	-
Payment of dividends to owners of the Company	(32,627)	-	(32,627)	-
Payments for shares buy back	-	(175)	-	-
Net cash used in financing activities	(86,640)	(185)	(32,639)	(5)
Net (decrease)/increase in cash and cash equivalents	(57,767)	30,364	(12,118)	17,460
Cash and cash equivalents at beginning of the period	120,516	60,221	70,466	75,850
Effect of exchange rate changes on balances of cash held in foreign currencies	(6,265)	1,098	(1,864)	(1,627)
Cash and cash equivalents at end of the period	56,484	91,683	56,484	91,683

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

<u>The Company</u>	Share Capital S\$'000	Share Premium S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
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	<u>105,784</u>	<u>304,881</u>	<u>(1,498)</u>	<u>6,266</u>	<u>415,433</u>
Balance as at 1 Jan 2015	105,784	304,881	(1,262)	6,334	415,737
Share buy back	-	-	(175)	-	(175)
Total comprehensive income for the period	-	-	-	102	102
Balance as at 31 Mar 2015	105,784	304,881	(1,437)	6,436	415,664
Total comprehensive loss for the period	-	-	-	(133)	(133)
Balance as at 30 Jun 2015	<u>105,784</u>	<u>304,881</u>	<u>(1,437)</u>	<u>6,303</u>	<u>415,531</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

The Group	← 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 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)(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

The Group	← 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 2015	105,784	304,881	(1,262)	65,175	(133,639)	57,941	22,951	421,831	16,696	438,527
Share buy back			(175)					(175)		(175)
Profit for the period	-	-	-	-	-	-	6,561	6,561	277	6,838
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	18,443	-	18,443	711	19,154
Total comprehensive income for the period	-	-	-	-	-	18,443	6,561	25,004	988	25,992
Balance as at 31 Mar 2015	105,784	304,881	(1,437)	65,175	(133,639)	76,384	29,512	446,660	17,684	464,344
Profit for the period	-	-	-	-	-	-	12,404	12,404	463	12,867
Other comprehensive loss for the period – Foreign currency translation	-	-	-	-	-	(10,188)	-	(10,188)	(397)	(10,585)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(10,188)	12,404	2,216	66	2,282
Balance as at 30 Jun 2015	105,784	304,881	(1,437)	65,175	(133,639)	66,196	41,916	448,876	17,750	466,626

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

On 6 May 2016, the Company completed the consolidation of every four ordinary shares with a par value of US\$0.025 each into one ordinary share with a par value of US\$0.10 each ("Consolidated Share"). Pursuant to the rounding consolidation as described in the Circular to shareholders dated 1 April 2016, 723 Consolidated Shares held as treasury shares were transferred to affected shareholders who had a resulting fraction of a Consolidated Share. Following the completion of this share consolidation and as at 30 June 2016, the Company has an issued and paid-up share capital (excluding 1,721,027 Consolidated Shares held as treasury shares) comprising 758,768,832 Consolidated Shares.

As at 30 June 2015, the Company's issued and paid-up capital (excluding 6,554,000 ordinary shares held as treasury shares) comprised 3,035,405,440 ordinary shares of US\$0.025 each.

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 2016 and 31 December 2015 are 758,768,832 ordinary shares of US\$0.10 each and 3,035,072,440 ordinary shares of US\$0.025 each respectively.

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

Movements in the Company's treasury shares during the period ended 30 June 2016 were as follows:

	<u>Number of ordinary shares of US\$0.025 each</u>	<u>Number of ordinary shares of US\$0.10 each</u>
Balance as at 1 January 2016	6,887,000	-
Share consolidation completed in May 2016	(6,887,000)	1,721,750
Transfer of treasury shares to affected shareholders pursuant to the rounding consolidation	-	(723)
Balance as at 30 June 2016	<u>-</u>	<u>1,721,027</u>

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 2015.

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 2016. 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

	The Group			
	1st Half 2016	(Restated)⁽¹⁾ 1st Half 2015	2nd Qtr 2016	(Restated)⁽¹⁾ 2nd Qtr 2015
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	SGD2.21cents	SGD2.50cents	SGD1.43cents	SGD1.63cents
- Weighted average numbers of shares	758,768,832	758,896,609	758,768,832	758,851,360
(ii) On a fully diluted basis	Not applicable	Not applicable	Not applicable	Not applicable

Note:

- (1) Comparative earnings per ordinary share has been restated to adjust for the effect of share consolidation of every four shares of US\$0.025 each into one ordinary share of US\$0.10 each effected on 6 May 2016.

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

	The Group		The Company	
	As at 30 Jun 2016	(Restated)⁽¹⁾ As at 31 Dec 2015	As at 30 Jun 2016	(Restated)⁽¹⁾ As at 31 Dec 2015
Net asset value per ordinary share based on existing issued share capital of 758,768,832 (31 Dec 2015: 758,768,110) shares	S\$0.55	S\$0.61	S\$0.55	S\$0.55

Note:

- (1) Comparative earnings per ordinary share has been restated to adjust for the effect of share consolidation of every four shares of US\$0.025 each into one ordinary share of US\$0.10 each effected on 6 May 2016.

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:

	1st Half 2016 <u>S\$'000</u>	1st Half 2015 <u>S\$'000</u>	Change %
Revenue from:			
Hotel	32,455	33,189	(2.2)
Property leasing	<u>33,881</u>	<u>36,612</u>	(7.5)
Total revenue	<u>66,336</u>	<u>69,801</u>	(5.0)
Gross Profit from:			
Hotel	14,722	14,429	2.0
Property leasing	<u>20,495</u>	<u>22,446</u>	(8.7)
Total gross profit	<u>35,217</u>	<u>36,875</u>	(4.5)
Gross Profit Margin			
Hotel	45.4%	43.5%	1.9
Property leasing	60.5%	61.3%	(0.8)
Overall	<u>53.1%</u>	<u>52.8%</u>	0.3

REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2016

The Group recorded revenue and EBITDA of S\$66.3 million and S\$39.3 million respectively for half year ended 30 June 2016 ("1H2016"), as compared to S\$69.8 million and S\$40.8 million respectively in the corresponding period in 2015 ("1H2015").

REVENUE

The Group's revenue was 5% lower at S\$66.3 million in 1H2016 primarily attributable to lower average leasing rate for our investment properties, as well as the effect of weakening of Chinese Renminbi ("RMB") against Singapore dollar. Comparing in RMB terms, hotel revenue increased marginally from RMB152.9 million in 1H2015 to RMB154.6 million in 1H2016 mainly due to increase in average occupancy rate from 77.8% to 80.3% in the current period, supported by higher demand from increased tourist arrivals in Shanghai.

Leasing income decreased by 7.5% to S\$33.9 million in the current period mainly due to lower average leasing occupancy rate for both retail complex and office tower. The operating environment for leasing segment remains competitive in view of the increased supply in office and retail spaces. Nonetheless, the Group managed to achieve high average leasing occupancy rate for our Bund Center office tower at 93% in 1H2016 as compared to 95.7% in 1H2015.

GROSS PROFIT

The Group's gross profit was lower by 4.5% at S\$35.2 million in 1H2016 in line with lower revenue recorded. However, the gross profit margin increased marginally to 53.1% in the current period due to lower operating costs incurred.

OPERATING EXPENSES

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\$10.6 million mainly comprised salaries and related expenses, office and hotel supplies, repair and maintenance, tax and licences fees, and management fee payable to the hotel operator. Total operating expenses decreased by 8.1% to S\$13.9 million in 1H2016 mainly due to lower professional fees incurred for the current period.

FINANCIAL EXPENSES

Financial expenses decreased by 37.5% to S\$0.3 million in 1H2016 following the repayment of bank loans made during the current period.

OTHER OPERATING INCOME, NET

Net other operating income mainly comprised net foreign exchange loss/(gain), business assistance grants, advertising income and other miscellaneous income (net of operating expenses). Lower net operating income was mainly attributable to higher foreign exchange loss. Net foreign exchange loss was higher at S\$1.5 million in 1H2016 primarily due to unrealised translation loss arising from U.S. Dollar ("USD") denominated inter-company receivables following the weakening of USD against SGD during the current period.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2016

ASSETS

The Group's total assets of S\$479.5 million mainly consist of investment properties of S\$228.5 million; property, plant and equipment of S\$180.0 million and cash and cash equivalents of S\$56.5 million. Comparing to total assets as at 31 December 2015, the decrease of S\$102.0 million was mainly attributable to lower cash and cash equivalents, as well as lower book value of investment properties and property, plant and equipment arising from translation effect of weakening RMB and depreciation expenses recorded.

LIABILITIES

The Group's total liabilities decreased by S\$54.9 million to S\$47.7 million as at 30 June 2016 mainly attributable to repayment of total bank borrowings during the current period.

REVIEW OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2016

Cash and cash equivalents were lower at S\$56.5 million as at 30 June 2016 mainly due to cash used for repayment of borrowings and payment for dividends, partially offset by cash generated from operating activities during the current period.

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 tertiary industry in Shanghai continued to grow by 11.6% year-on-year in the first half of 2016 according to the Shanghai Statistics Bureau. Despite this stable economic indicator, the operating environment in Shanghai remains competitive due to the increase in supply of new office spaces and retail spaces. For our hotel operations, we will continue to adopt a flexible marketing strategy amidst the anticipated surge in arrival of visitors following the opening of Shanghai Disneyland.

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 2016.

13. Interested persons transactions disclosure

There is no relevant interested persons transaction entered into during the half year ended 30 June 2016.

**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 2016 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
11 August 2016

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 11 August 2016 to the SGX