



BUND CENTER INVESTMENT LTD

First Quarter Financial Statement And Dividend Announcement

A Condensed interim consolidated income statement and consolidated statement of comprehensive income

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022

	<u>Note</u>	<u>1st Qtr 2022</u> <u>S\$'000</u>	<u>1st Qtr 2021</u> <u>S\$'000</u>	<u>Change</u> <u>%</u>
Revenue	E4	18,169	17,763	2.3
Cost of sales		(12,256)	(12,504)	(2.0)
Gross profit		5,913	5,259	12.4
Operating expenses				
Selling expenses		(1,364)	(1,022)	33.5
General and administrative expenses		(3,894)	(4,203)	(7.4)
Total operating expenses		(5,258)	(5,225)	0.6
Operating profit		655	34	n.m.
Finance income		1,158	1,209	(4.2)
Finance expenses		-	(2)	(100.0)
Other operating income		2,450	1,856	32.0
Profit before income tax	E5	4,263	3,097	37.6
Income tax	E6	(1,826)	(1,590)	14.8
Total profit for the period		2,437	1,507	61.7
Profit for the period attributable to:				
Owners of the Company		2,358	1,454	62.2
Non-controlling interests		79	53	49.1
		2,437	1,507	61.7

Note: n.m. – not meaningful.

A Condensed interim consolidated income statement and consolidated statement of comprehensive income (cont'd)

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022**

	1st Qtr 2022 S\$'000	1st Qtr 2021 S\$'000
Total profit for the period	2,437	1,507
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Foreign currency differences on consolidation, net of tax	2,378	7,852
Total comprehensive income for the period	4,815	9,359
Total comprehensive income attributable to:		
Owners of the Company	4,659	9,078
Non-controlling interests	156	281
	4,815	9,359

ADDITIONAL INFORMATION

	1st Qtr 2022 S\$'000	1st Qtr 2021 S\$'000	Change %
Earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation and foreign exchange loss, ("EBITDA")	10,124	9,747	3.9
Interest on borrowings	-	(2)	(100.0)
Depreciation and amortisation	(5,690)	(5,414)	5.1
Foreign exchange loss	(171)	(1,234)	(86.1)
Profit before income tax	4,263	3,097	37.6

B Condensed interim statements of financial position

UNAUDITED STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		As at		As at	
	Note	31/03/2022	31/12/2021	31/03/2022	31/12/2021
		S\$'000	S\$'000	S\$'000	S\$'000
<u>Assets</u>					
Current Assets					
Cash and cash equivalents		183,342	174,484	548	547
Trade receivables and other current assets		5,710	4,645	13,476	13,466
Inventories, at cost		353	346	-	-
		<u>189,405</u>	<u>179,475</u>	<u>14,024</u>	<u>14,013</u>
Non-Current Assets					
Interest in subsidiaries		-	-	410,659	410,659
Investment properties		176,748	178,979	-	-
Property, plant and equipment		138,127	139,595	-	-
Deferred tax assets		3,454	3,511	-	-
Deferred charges		535	538	-	-
		<u>318,864</u>	<u>322,623</u>	<u>410,659</u>	<u>410,659</u>
Total Assets		<u>508,269</u>	<u>502,098</u>	<u>424,683</u>	<u>424,672</u>
<u>Liabilities and Equity</u>					
Current Liabilities					
Trade and other payables		21,953	20,715	944	917
Income tax payable		1,583	2,642	-	-
		<u>23,536</u>	<u>23,357</u>	<u>944</u>	<u>917</u>
Non-Current Liabilities					
Long-term liabilities		12,018	11,033	-	-
Deferred tax liabilities		3,954	3,762	-	-
		<u>15,972</u>	<u>14,795</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>39,508</u>	<u>38,152</u>	<u>944</u>	<u>917</u>
Equity Attributable to Owners of the Company					
Share capital	E9	105,784	105,784	105,784	105,784
Share premium		304,881	304,881	304,881	304,881
Treasury shares	E9	(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		59,622	57,321	-	-
Retained earnings		51,884	49,526	14,572	14,588
		<u>452,209</u>	<u>447,550</u>	<u>423,739</u>	<u>423,755</u>
Non-Controlling Interests		16,552	16,396	-	-
Total Equity		<u>468,761</u>	<u>463,946</u>	<u>423,739</u>	<u>423,755</u>
Total Liabilities and Equity		<u>508,269</u>	<u>502,098</u>	<u>424,683</u>	<u>424,672</u>

C Condensed interim statements of changes in equity

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

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			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Balance as at 1 Jan 2022	105,784	304,881	(1,498)	65,175	(133,639)	57,321	49,526	447,550	16,396	463,946
Profit for the period	-	-	-	-	-	-	2,358	2,358	79	2,437
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	2,301	-	2,301	77	2,378
Total comprehensive income for the period	-	-	-	-	-	2,301	2,358	4,659	156	4,815
Balance as at 31 Mar 2022	105,784	304,881	(1,498)	65,175	(133,639)	59,622	51,884	452,209	16,552	468,761
Balance as at 1 Jan 2021	105,784	304,881	(1,498)	65,175	(133,639)	34,808	60,762	436,273	15,372	451,645
Profit for the period	-	-	-	-	-	-	1,454	1,454	53	1,507
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	7,624	-	7,624	228	7,852
Total comprehensive income for the period	-	-	-	-	-	7,624	1,454	9,078	281	9,359
Balance as at 31 Mar 2021	105,784	304,881	(1,498)	65,175	(133,639)	42,432	62,216	445,351	15,653	461,004

The Company	Share Capital S\$'000	Share Premium S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
Balance as at 1 Jan 2022	105,784	304,881	(1,498)	14,588	423,755
Total comprehensive loss for the period	-	-	-	(16)	(16)
Balance as at 31 Mar 2022	105,784	304,881	(1,498)	14,572	423,739
Balance as at 1 Jan 2021	105,784	304,881	(1,498)	14,553	423,720
Total comprehensive income for the period	-	-	-	182	182
Balance as at 31 Mar 2021	105,784	304,881	(1,498)	14,735	423,902

D Condensed interim consolidated statements of cash flows

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2022

	1st Qtr 2022 <u>S\$'000</u>	1st Qtr 2021 <u>S\$'000</u>
Cash flows from operating activities		
Profit for the period	2,437	1,507
Adjustments for:		
Depreciation of property, plant and equipment	2,337	2,284
Depreciation of investment properties	3,347	3,124
Amortisation of deferred charges	6	6
Allowance for impairment loss on trade receivables	2	-
Interest income	(1,158)	(1,209)
Interest expense	-	2
Unrealised foreign exchange loss/(gain)	56	(1,394)
Income tax expenses	1,826	1,590
Operating cash flows before working capital changes	8,853	5,910
Changes in working capital:		
Trade receivables and other current assets	(1,079)	(870)
Inventories	(7)	25
Trade and other payables	2,223	241
Cash generated from operations	9,990	5,306
Income tax paid	(2,627)	(1,960)
Interest received	1,170	87
Interest paid	-	(2)
Net cash from operating activities	8,533	3,431
Cash flows from investing activities		
Capital expenditure on property, plant and equipment	(203)	(155)
Capital expenditure on investment properties	(261)	(130)
Net cash used in investing activities	(464)	(285)
Cash flows from financing activity		
Payments of lease liability	-	(17)
Net cash used in financing activity	-	(17)
Net increase in cash and cash equivalents	8,069	3,129
Cash and cash equivalents at beginning of the period	174,484	159,869
Effect of exchange rate changes on balances of cash held in foreign currencies	789	4,434
Cash and cash equivalents at end of the period	183,342	167,432

E Notes to the condensed interim consolidated financial statements

1 Corporate information

Bund Center Investment Ltd (the "Company") is listed on the Singapore Exchange and was incorporated on 5 August 2009 under the Companies Act 1981 of Bermuda as an exempted company with limited liability. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal places of business of the Group are located at Shanghai and Ningbo, the People's Republic of China ("PRC"). The Company is principally engaged as an investment holding company. These condensed interim consolidated financial statements as at and for the first quarter ended 31 March 2022 comprise the condensed financial statements of the Company and its subsidiaries (the "Group").

2 Basis of preparation

The condensed interim consolidated financial statements of the Group for first quarter ended 31 March 2022, have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 31 December 2021.

The condensed interim consolidated financial statements are presented in Singapore dollars have been rounded to the nearest thousand (S\$'000) unless otherwise indicated.

2.1 New and revised International Financial Reporting Standards ("IFRSs")

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with the IFRSs, except for the adoption of new and revised IFRSs effective for annual periods beginning on 1 January 2022. The adoption of the new and revised IFRSs has had no material financial impact on the condensed interim financial statements of the Group. The Group has not early adopted any other new and revised IFRSs that have been issued but are not yet effective.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. The significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

An analysis of the Group's revenue for the year disaggregated by type of revenue streams and by reportable segments is as follows:

	Group	
	<u>1st Qtr 2022</u>	<u>1st Qtr 2021</u>
	S\$'000	S\$'000
Hotel revenue	5,409	5,721
Property leasing income	12,760	12,042
	<u>18,169</u>	<u>17,763</u>

E Notes to the condensed interim consolidated financial statements (cont'd)

4 Segment and revenue information (cont'd)

	Segment Profit	
	<u>1st Qtr 2022</u>	<u>1st Qtr 2021</u>
	S\$'000	S\$'000
Hotel	(1,412)	(1,648)
Property leasing	11,162	10,949
	9,750	9,301
Depreciation and amortisation expenses	(5,690)	(5,414)
Interest income	1,158	1,209
Interest expense	-	(2)
Foreign exchange loss	(171)	(1,234)
Certain administrative expenses not allocated	(784)	(763)
Profit before income tax	4,263	3,097

	As at 31 March 2022	
	<u>Segment assets</u>	<u>Segment liabilities</u>
	S\$'000	S\$'000
Hotel	141,722	3,310
Property leasing	364,278	52,712
Total segment assets/ liabilities	506,000	56,022
Other unallocated assets/ liabilities	411,628	392,648
Elimination of inter-segment receivables/payables	(409,359)	(409,162)
Total assets/liabilities	508,269	39,508

5 Profit before income tax

Significant items

	<u>1st Qtr 2022</u>	<u>1st Qtr 2021</u>
	S\$'000	S\$'000
Depreciation of investment properties	3,347	3,124
Depreciation of property, plant and equipment	2,337	2,284
Foreign exchange loss	171	1,234

Related party transactions

There are no material related party transactions during the financial period.

6 Income tax

	<u>1st Qtr 2022</u>	<u>1st Qtr 2021</u>
	S\$'000	S\$'000
Current income tax expense	1,561	1,306
Deferred income tax expense	265	284
	1,826	1,590

E Notes to the condensed interim consolidated financial statements (cont'd)

7 Earnings per share

Earnings per ordinary share for the period:-

(i) Based on weighted average number of ordinary shares

- Weighted average numbers of shares

(ii) On a fully diluted basis

<u>1st Qtr 2022</u>	<u>1st Qtr 2021</u>
SGD0.31cents	SGD0.19cents
758,768,832	758,768,832
Not applicable	Not applicable

8 Net asset value per share

Net asset value per ordinary share based on existing issued share capital of 758,768,832

<u>The Group</u>		<u>The Company</u>	
As at 31 Mar 2022	As at 31 Dec 2021	As at 31 Mar 2022	As at 31 Dec 2021
S\$0.62	S\$0.61	S\$0.56	S\$0.56

9 Share Capital and Treasury Shares

Group and Company

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	<u>Issued share capital</u>	<u>Treasury shares</u>	<u>Share capital S\$'000</u>	<u>Treasury shares S\$'000</u>
Balance as at 31 December 2021 and 31 March 2022	<u>760,489,859</u>	<u>(1,721,027)</u>	<u>105,784</u>	<u>(1,498)</u>

There were no movements in the Company's issued capital since 31 March 2021.

F Other information required by Listing Rule Appendix 7.2

1 Review

The condensed interim consolidated statement of financial position of Bund Center Investment Ltd (the "Company") and its subsidiaries as at 31 March 2022 and the related condensed consolidated income statements and statement of other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the first quarter then ended and certain explanatory notes have not been audited or reviewed.

2 Review of performance of the Group

Revenue and gross profit breakdown by segment:

	<u>1st Qtr 2022 S\$'000</u>	<u>1st Qtr 2021 S\$'000</u>	<u>Change %</u>
Revenue from:			
Hotel	5,409	5,721	(5.5)
Property leasing	<u>12,760</u>	<u>12,042</u>	6.0
Total revenue	<u>18,169</u>	<u>17,763</u>	2.3
Gross Profit/(Loss) from:			
Hotel	(856)	(1,037)	(17.5)
Property leasing	<u>6,769</u>	<u>6,296</u>	7.5
Total gross profit	<u>5,913</u>	<u>5,259</u>	12.4
Gross Profit/(Loss) Margin			
Hotel	(15.8%)	(18.1%)	2.3
Property leasing	53.0%	52.3%	0.7
Overall	<u>32.5%</u>	<u>29.6%</u>	2.9

F Other information required by Listing Rule Appendix 7.2 (cont'd)

REVIEW OF PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2022

The Group recorded a higher revenue at S\$18.2 million for the three-month period ended 31 March 2022 ("1Q2022"), with EBITDA and net profit higher at S\$10.1 million and S\$2.4 million respectively as compared to S\$9.7 million and S\$1.5 million respectively in the previous corresponding period ("1Q2021").

REVENUE

Revenue of the Group increased from S\$17.8 million in 1Q2021 to S\$18.2 million, mainly attributable to the higher leasing income from both our retail complex and office tower. Despite the highly competitive operating environment, the Group's flexible and aggressive marketing strategies has resulted in a higher average occupancy rate for its office tower at 84.4% for the current period.

Hotel revenue decreased from S\$5.7 million in 1Q2021 to S\$5.4 million in the current period. This was mainly due to lower food and beverage revenue, affected by the stringent dining restriction as part of the government's zero-tolerance policy in fighting the COVID-19 virus.

GROSS PROFIT

The Group's gross profit increased from S\$5.3 million in 1Q2021 to S\$5.9 million in the current period mainly contributed by higher leasing income. Accordingly, the Group's gross profit margin improved from 29.6% in 1Q2021 to 32.5%.

OPERATING EXPENSES

Total operating expenses increased marginally from S\$5.2 million in 1Q2021 to S\$5.3 million in the current period. Selling expenses increased by S\$0.3 million in the current period mainly due to higher agent commission expenses incurred for new tenancy contracts. General and administrative expenses lowered by S\$0.3 million in the current period mainly due to lower salaries and related costs.

OTHER OPERATING INCOME

Net other operating income mainly comprised business assistance grants, advertising income and other miscellaneous income, net of foreign exchange loss and donation made. Net operating income increased from S\$1.9 million in 1Q2021 to S\$2.5 million in the current period, mainly due to lower net unrealised foreign exchange loss arising from inter-company balances.

INCOME TAX

Income tax comprised withholding tax and 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 was higher at S\$1.8 million in 1Q2022 mainly in line with higher taxable income in certain subsidiaries.

F Other information required by Listing Rule Appendix 7.2 (cont'd)

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2022

ASSETS

The Group's total assets of S\$508.3 million mainly consist of investment properties of S\$176.7 million; property, plant and equipment of S\$138.1 million and cash and cash equivalents of S\$183.3 million. Total assets increased by S\$6.2 million as compared to S\$502.1 million as at 31 December 2021 mainly attributable to higher cash and cash equivalents generated from its operations and higher trade and other current assets.

LIABILITIES

As compared to the previous year end, the Group's total liabilities increased by S\$1.4 million to S\$39.5 million as at 31 March 2022 mainly due to higher advances and deposits received from tenants and higher trade payables.

REVIEW OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2022

The Group recorded a net cash generated from operating activities of S\$8.5 million in the current period as compared to S\$3.4 million in 1Q2021. This was mainly due to improved operating performance and higher deposits received from tenants during the current period.

Net cash used in investing activities of S\$0.5 million related to capital expenditure incurred on fixed assets and properties.

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

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) updates on the efforts taken to resolve each outstanding audit issue; (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern

Not applicable.

4 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 outbreak of the COVID-19 Omicron variant and the Chinese Government's zero-tolerance policy in fighting the COVID-19 virus have affected the business activities, particularly in Shanghai. The Group will continue to closely monitor the developments in the recent outbreak and adjust its business strategies in compliance with any updates and advisories from the local Chinese authorities.

F Other information required by Listing Rule Appendix 7.2 (cont'd)

5 Dividend

(a) Current Financial Period Reported On

No dividend has been declared for the first quarter ended 31 March 2022 as the Company generally reviews its dividend policy at the end of the financial year.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend has been declared for the first quarter ended 31 March 2021.

6 Interested persons transactions disclosure

There is no relevant interested persons transaction entered into during the first quarter ended 31 March 2022.

7 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.

8 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 first quarter ended 31 March 2022 unaudited financial results to be false or misleading.

On behalf of the board of directors

Frankle (Djafar) Widjaja
Director

Chew Yow Foo
Director

BY ORDER OF THE BOARD

Frankle (Djafar) Widjaja
Director
11 May 2022

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 11 May 2022 to the SGX