



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 2024**

	Note	1st Qtr 2024 S\$'000	1st Qtr 2023 S\$'000	Change %
Revenue	E4	20,277	18,939	7.1
Cost of sales		<u>(11,912)</u>	<u>(11,504)</u>	3.5
Gross profit		<u>8,365</u>	<u>7,435</u>	12.5
Operating expenses				
Selling expenses		(925)	(678)	36.4
General and administrative expenses		<u>(4,433)</u>	<u>(4,083)</u>	8.6
Total operating expenses		<u>(5,358)</u>	<u>(4,761)</u>	12.5
Operating profit		3,007	2,674	12.5
Finance income		1,490	1,201	24.1
Financial expenses		(5)	-	n.m.
Other operating (expenses)/income		<u>(505)</u>	<u>1,274</u>	n.m.
Profit before income tax	E5	3,987	5,149	(22.6)
Income tax	E6	<u>(1,993)</u>	<u>(2,414)</u>	(17.4)
Total profit for the period		<u>1,994</u>	<u>2,735</u>	(27.1)
Profit for the period attributable to:				
Owners of the Company		1,890	2,621	(27.9)
Non-controlling interests		<u>104</u>	<u>114</u>	(8.8)
		<u>1,994</u>	<u>2,735</u>	(27.1)

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 2024**

	1st Qtr 2024 S\$'000	1st Qtr 2023 S\$'000
Total profit for the period	1,994	2,735
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences on consolidation, net of tax	<u>4,023</u>	<u>2,648</u>
Total comprehensive income for the period	<u>6,017</u>	<u>5,383</u>
Total comprehensive income attributable to:		
Owners of the Company	5,843	5,196
Non-controlling interests	<u>174</u>	<u>187</u>
	<u>6,017</u>	<u>5,383</u>

ADDITIONAL INFORMATION

	1st Qtr 2024 S\$'000	1st Qtr 2023 S\$'000	Change %
Earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation and foreign exchange loss ("EBITDA")	10,974	10,859	1.1
Lease interest	(5)	-	n.m.
Depreciation and amortisation	(5,136)	(5,241)	(2.0)
Foreign exchange loss	<u>(1,846)</u>	<u>(469)</u>	293.6
Profit before income tax	<u>3,987</u>	<u>5,149</u>	(22.6)

Note: n.m. – not meaningful

B Condensed interim statements of financial position

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at		As at	
		31/03/2024	31/12/2023	31/03/2024	31/12/2023
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Current Assets					
Cash and bank balances		153,603	151,485	919	1,032
Trade receivables and other current assets		8,417	7,311	12,551	12,268
Inventories, at cost		295	312	-	-
		<u>162,315</u>	<u>159,108</u>	<u>13,470</u>	<u>13,300</u>
Non-Current Assets					
Interest in subsidiaries		-	-	410,659	410,659
Investment properties		136,369	138,521	-	-
Property, plant and equipment		107,647	108,893	-	-
Deferred tax assets		2,516	2,567	-	-
Deferred charges		435	438	-	-
		<u>246,967</u>	<u>250,419</u>	<u>410,659</u>	<u>410,659</u>
Total Assets		<u>409,282</u>	<u>409,527</u>	<u>424,129</u>	<u>423,959</u>
Liabilities and Equity					
Current Liabilities					
Trade and other payables		17,893	19,314	610	717
Income tax payable		1,910	2,611	-	-
Lease liability	E9	140	140	-	-
		<u>19,943</u>	<u>22,065</u>	<u>610</u>	<u>717</u>
Non-Current Liabilities					
Long-term liabilities		8,836	8,795	-	-
Deferred tax liabilities		2,219	3,191	-	-
Lease liability	E9	455	490	-	-
		<u>11,510</u>	<u>12,476</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>31,453</u>	<u>34,541</u>	<u>610</u>	<u>717</u>
Equity Attributable to Owners of the Company					
Share capital	E10	105,784	105,784	105,784	105,784
Share premium		304,881	304,881	304,881	304,881
Treasury shares	E10	(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		9,889	5,936	-	-
Retained earnings		17,286	15,396	14,352	14,075
		<u>367,878</u>	<u>362,035</u>	<u>423,519</u>	<u>423,242</u>
Non-controlling interests		9,951	12,951	-	-
Total Equity		<u>377,829</u>	<u>374,986</u>	<u>423,519</u>	<u>423,242</u>
Total Liabilities and Equity		<u>409,282</u>	<u>409,527</u>	<u>424,129</u>	<u>423,959</u>

C Condensed interim statements of changes in equity

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

Group	← Attributable to Owners of the Company →							Total	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 2024	105,784	304,881	(1,498)	65,175	(133,639)	5,936	15,396	362,035	12,951	374,986
Profit for the period	-	-	-	-	-	-	1,890	1,890	104	1,994
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	3,953	-	3,953	70	4,023
Total comprehensive income for the period	-	-	-	-	-	3,953	1,890	5,843	174	6,017
Capital returned to non-controlling shareholders	-	-	-	-	-	-	-	-	(2,714)	(2,714)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(460)	(460)
Balance as at 31 Mar 2024	105,784	304,881	(1,498)	65,175	(133,639)	9,889	17,286	367,878	9,951	377,829
Balance as at 1 Jan 2023	105,784	304,881	(1,498)	65,175	(133,639)	20,288	25,544	386,535	14,108	400,643
Profit for the period	-	-	-	-	-	-	2,621	2,621	114	2,735
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	2,575	-	2,575	73	2,648
Total comprehensive income for the period	-	-	-	-	-	2,575	2,621	5,196	187	5,383
Balance as at 31 Mar 2023	105,784	304,881	(1,498)	65,175	(133,639)	22,863	28,165	391,731	14,295	406,026

Company	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2024	105,784	304,881	(1,498)	14,075	423,242
Total comprehensive income for the period	-	-	-	277	277
Balance as at 31 Mar 2024	105,784	304,881	(1,498)	14,352	423,519
Balance as at 1 Jan 2023	105,784	304,881	(1,498)	14,369	423,536
Total comprehensive loss for the period	-	-	-	(176)	(176)
Balance as at 31 Mar 2023	105,784	304,881	(1,498)	14,193	423,360

D Condensed interim consolidated statements of cash flows

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

	1st Qtr 2024 S\$'000	1st Qtr 2023 S\$'000
Cash flows from operating activities		
Profit for the period	1,994	2,735
Adjustments for:		
Depreciation of investment properties	3,017	3,090
Depreciation of property, plant and equipment	2,114	2,145
Amortisation of deferred charges	5	6
(Reversal of)/Allowance for expected credit loss on trade receivables	(1)	3
Gain on disposal of property, plant and equipment	-	(114)
Property, plant and equipment written off	2	2
Interest income	(1,490)	(1,201)
Interest expense	5	-
Unrealised foreign exchange loss	1,878	776
Income tax expenses	1,993	2,414
Operating cash flows before working capital changes	9,517	9,856
Changes in working capital:		
Trade receivables and other current assets	(515)	(222)
Inventories	17	11
Trade and other payables	(1,380)	(1,108)
Cash generated from operations	7,639	8,537
Interest received	900	1,195
Interest paid	(5)	-
Income tax paid	(3,588)	(2,111)
Net cash from operating activities	4,946	7,621
Cash flows from investing activities		
Capital expenditure on property, plant and equipment	(293)	(385)
Capital expenditure on investment properties	(121)	(143)
Placement of time deposits with maturity more than 3 months	(14,399)	-
Proceeds from disposal of property, plant and equipment	-	120
Net cash used in investing activities	(14,813)	(408)
Cash flows from financing activities		
Payments of lease liability	(35)	-
Capital returned to non-controlling shareholders	(2,714)	-
Payment of dividends to non-controlling shareholders	(460)	-
Net cash used in financing activities	(3,209)	-
Net (decrease)/increase in cash and cash equivalents	(13,076)	7,213
Cash and cash equivalents at the beginning of period	151,485	150,631
Effect of exchange rate changes on balances of cash held in foreign currencies	795	744
Cash and cash equivalents at the end of period	139,204	158,588
Note:	As at 31/03/2024 S\$'000	As at 31/03/2023 S\$'000
Cash and bank balances	153,603	158,588
Time deposits with maturity more than 3 months	(14,399)	-
Cash and cash equivalents per consolidated statement of cash flows	139,204	158,588

E Notes to the condensed interim consolidated financial statements

1 Corporate information

Bund Center Investment Ltd (the “Company”) was incorporated on 5 August 2009 under the Companies Act 1981 of Bermuda as an exempted company with limited liability and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

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 2024 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 2024, 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 financial performance since the last annual financial statements for the financial year ended 31 December 2023.

The condensed interim consolidated financial statements are presented in Singapore dollars and 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 2024. 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 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 consolidated 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 of the Group for the financial year ended 31 December 2023.

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 current financial period.

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

4 Segment and revenue information

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

	Segment Revenue	
	<u>1st Qtr 2024</u> S\$'000	<u>1st Qtr 2023</u> S\$'000
Hotel revenue	11,077	8,882
Property leasing income	9,200	10,057
	<u>20,277</u>	<u>18,939</u>

	Segment Profit	
	<u>1st Qtr 2024</u> S\$'000	<u>1st Qtr 2023</u> S\$'000
Hotel	3,002	1,788
Property leasing	7,312	8,671
	<u>10,314</u>	<u>10,459</u>
Depreciation and amortisation expenses	(5,136)	(5,241)
Interest income	1,490	1,201
Interest expense	(5)	-
Foreign exchange loss	(1,846)	(469)
Certain administrative expenses not allocated	(830)	(801)
Profit before income tax	<u>3,987</u>	<u>5,149</u>

	As at <u>31/03/2024</u>	
	<u>Segment</u> <u>assets</u> S\$'000	<u>Segment</u> <u>liabilities</u> S\$'000
Hotel	111,341	5,151
Property leasing	196,710	41,431
Total segment assets/liabilities	<u>308,051</u>	<u>46,582</u>
Other unallocated assets/liabilities	508,970	391,834
Elimination of inter-segment receivables/payables	(407,739)	(406,963)
Total assets/liabilities	<u>409,282</u>	<u>31,453</u>

5 Profit before income tax

Significant items

	<u>1st Qtr 2024</u> S\$'000	<u>1st Qtr 2023</u> S\$'000
Depreciation of investment properties	3,017	3,090
Depreciation of property, plant and equipment	2,114	2,145
Foreign exchange loss	1,846	469

Related party transactions

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

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

6 Income tax

	<u>1st Qtr 2024</u> S\$'000	<u>1st Qtr 2023</u> S\$'000
Current income tax expense	1,517	1,842
Deferred income tax (credit)/expense	(907)	572
Withholding tax expenses	1,383	-
	<u>1,993</u>	<u>2,414</u>

7 Earnings per share

Earnings per ordinary share for the period:

(i) Based on weighted average number of ordinary shares

- Weighted average number of ordinary shares

(ii) On a fully diluted basis

	<u>1st Qtr 2024</u>	<u>1st Qtr 2023</u>
	SGD0.25cents	SGD0.35cents
	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 ordinary shares of 758,768,832

	<u>Group</u>		<u>Company</u>	
	<u>As at</u> <u>31/03/2024</u>	<u>As at</u> <u>31/12/2023</u>	<u>As at</u> <u>31/03/2024</u>	<u>As at</u> <u>31/12/2023</u>
	S\$0.50	S\$0.49	S\$0.56	S\$0.56

9 Lease liability

	<u>As at</u> <u>31/03/2024</u> S\$'000	<u>As at</u> <u>31/12/2023</u> S\$'000
Amount repayable in one year or less	140	140
Amount repayable after one year	455	490
	<u>595</u>	<u>630</u>

During the current financial period, there is no additions to property, plant and equipment acquired under leasing arrangement.

10 Share capital and treasury shares

<u>Group and Company</u>	<u>No. of ordinary shares</u>		<u>Amount</u>	
	<u>Issued</u> <u>shares</u>	<u>Treasury</u> <u>shares</u>	<u>Share</u> <u>capital</u> S\$'000	<u>Treasury</u> <u>shares</u> S\$'000
Balance as at 31 December 2023 and 31 March 2024	<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 share capital since 31 December 2023.

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 (the "Group") as at 31 March 2024 and the related condensed consolidated income statement and statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated 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:

	1st Qtr 2024 S\$'000	1st Qtr 2023 S\$'000	Change %
Revenue:			
Hotel	11,077	8,882	24.7
Property leasing	9,200	10,057	(8.5)
Total revenue	<u>20,277</u>	<u>18,939</u>	7.1
Gross Profit:			
Hotel	4,382	2,767	58.4
Property leasing	3,983	4,668	(14.7)
Total gross profit	<u>8,365</u>	<u>7,435</u>	12.5
Gross Profit Margin			
Hotel	39.6%	31.2%	8.4
Property leasing	43.3%	46.4%	(3.1)
Overall	<u>41.3%</u>	<u>39.3%</u>	2.0

Note: n.m.- not meaningful.

REVIEW OF PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2024

The Group achieved a revenue of S\$20.3 million with an improved EBITDA of S\$11.0 million for the first quarter ended 31 March 2024 ("1Q2024"), primarily due to an enhanced business and operational environment within our hotel operations.

REVENUE

The Group's revenue rose from S\$18.9 million in the previous corresponding period ("1Q2023") to S\$20.3 million in 1Q2024, largely driven by a 24.7% increase in hotel revenue, from S\$8.9 million to S\$11.1 million. This growth reflects improved room rates and increased occupancy, resulting from heightened demand from both domestic and international travellers to Shanghai. However, leasing income from our investment properties declined by 8.5% from S\$10.0 million to S\$9.2 million, due to a highly competitive operating environment

GROSS PROFIT

Gross profit rose from S\$7.4 million in 1Q2023 to S\$8.4 million in 1Q2024, primarily due to higher hotel revenue. This resulted in an improvement in the gross profit margin from 39.3% to 41.3%.

OPERATING EXPENSES

Total operating expenses increased from S\$4.8 million in 1Q2023 to S\$5.4 million in the current financial period. Selling expenses rose by S\$0.2 million due to higher hotel marketing expenses. General and administrative expenses also increased by S\$0.4 million, mainly due to higher management fees and payroll costs corresponding with the increased hotel revenue.

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

OTHER OPERATING (EXPENSES)/INCOME

Net other operating expenses amounted to S\$0.5 million in 1Q2024, compared to a net operating income of S\$1.3 million in 1Q2023. This shift was primarily due to a higher unrealised foreign exchange loss resulting from the strengthening of the Hong Kong dollar, and a reduction in business assistance grants received.

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 lower at S\$2.0 million in 1Q2024, primarily aligned with the lower taxable income across certain subsidiaries.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2024

ASSETS

As at 31 March 2024, the Group's total assets stood at S\$409.3 million, including S\$136.4 million in investment properties; S\$107.6 million in property, plant and equipment, and S\$153.5 million in cash and bank balances. This represents a slight decrease from S\$409.5 million as of 31 December 2023, mainly due to depreciation, partially offset by an increase in cash and bank balances.

LIABILITIES

The Group's total liabilities decreased by S\$3.0 million to S\$31.5 million as at 31 March 2024, down from S\$34.5 million as of 31 December 2023. This reduction was primarily due to decreases in trade and other payables and income tax liabilities following repayments.

REVIEW OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

The Group recorded a net cash generated from operating activities of S\$4.9 million in the current period, down from S\$7.6 million in the corresponding period, largely due to increase cash outflows for working capital and tax payments.

Cash used in investing activities totalled S\$14.78 million, related to time deposits and capital expenditures on assets.

Financing activities used S\$3.2 million, mainly for capital reductions and dividend payments to non-controlling shareholders.

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.

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

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 hotel industry in China is poised for consistent growth, buoyed by various initiatives from the Chinese government aimed at easing travel restrictions for business, educational, and tourism activities. These measures are anticipated to inject vitality into the market, creating favorable conditions for the hospitality sector. The Group is well-positioned to capitalise on these developments, planning to enhance its strategic focus on the hotel's unique wellness programs and programs to tap on the rich cultural and local attractions of the area in which it operates. This dual approach is designed to cater not only to the burgeoning domestic market but also to attract international visitors, thereby broadening our customer base and enhancing revenue streams.

In parallel, the leasing segment presents a more challenging operating environment, characterised by a significant oversupply of office spaces and subdued demand within Shanghai's commercial real estate market. Despite these headwinds, the Group remains committed to proactively managing its portfolio of investment properties. Our strategy includes the continuous assessment, evaluation and refinement of our business approaches to better serve and expand our tenant base. By offering competitive leasing options, flexible pricing strategy and maintaining high standards in tenant services, we aim to not only attract new clients but also retain our existing ones, thereby stabilising leasing income and fortifying our market position in a competitive landscape.

5 Dividend

(a) Current Financial Period Reported On

No dividend has been declared for the first quarter ended 31 March 2024 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 2023.

6 Interested persons transactions disclosure

There is no relevant interested persons transaction entered into during the first quarter ended 31 March 2024.

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.

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

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 2024 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
13 May 2024

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 13 May 2024 to the SGX