



BUND CENTER INVESTMENT LTD

First Quarter 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 31 MARCH 2021

	1st Qtr 2021 <u>S\$'000</u>	1st Qtr 2020 <u>S\$'000</u>	Change %
Revenue	17,763	15,212	16.8
Cost of sales	<u>(12,504)</u>	<u>(10,895)</u>	14.8
Gross profit	<u>5,259</u>	<u>4,317</u>	21.8
Operating expenses			
Selling expenses	(1,022)	(508)	101.2
General and administrative expenses	<u>(4,203)</u>	<u>(3,772)</u>	11.4
Total operating expenses	<u>(5,225)</u>	<u>(4,280)</u>	22.1
Operating profit	34	37	(8.1)
Finance income	1,209	1,319	(8.3)
Finance expenses	(2)	(2)	-
Other operating income/(expenses)	<u>1,856</u>	<u>(1,368)</u>	n.m.
Profit/(Loss) before income tax	3,097	(14)	n.m.
Income tax	<u>(1,590)</u>	<u>(480)</u>	231.3
Total profit/(loss) for the period	<u>1,507</u>	<u>(494)</u>	n.m.
Profit/(Loss) for the period attributable to:			
Owners of the Company	1,454	(430)	n.m.
Non-controlling interests	<u>53</u>	<u>(64)</u>	n.m.
	<u>1,507</u>	<u>(494)</u>	n.m.

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021**

	1st Qtr 2021 <u>S\$'000</u>	1st Qtr 2020 <u>S\$'000</u>
Total profit/(loss) for the period	1,507	(494)
Other comprehensive income		
<u>Item that may be reclassified subsequently to profit or loss:</u>		
Foreign currency differences on consolidation, net of tax	7,852	18,877
Total comprehensive income for the period	<u>9,359</u>	<u>18,383</u>
Total comprehensive income attributable to:		
Owners of the Company	9,078	17,794
Non-controlling interests	281	589
	<u>9,359</u>	<u>18,383</u>

ADDITIONAL INFORMATION

	1st Qtr 2021 <u>S\$'000</u>	1st Qtr 2020 <u>S\$'000</u>	Change %
Earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation and foreign exchange (loss)/gain, ("EBITDA")	9,747	4,941	97.3
Interest on borrowings	(2)	(2)	-
Depreciation and amortisation	(5,414)	(5,210)	3.9
Foreign exchange (loss)/gain	(1,234)	257	n.m.
Profit/(Loss) before income tax	<u>3,097</u>	<u>(14)</u>	n.m.

Note: 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		As at	
	31/03/2021	31/12/2020	31/03/2021	31/12/2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	167,432	159,869	88	87
Trade receivables and other current assets	4,483	2,491	13,633	13,410
Inventories, at cost	377	402	-	-
	172,292	162,762	13,721	13,497
Non-Current Assets				
Interest in subsidiaries	-	-	410,659	410,659
Investment properties	180,130	180,415	-	-
Property, plant and equipment	140,761	140,822	-	-
Deferred tax assets	3,607	3,624	-	-
Deferred charges	537	535	-	-
	325,035	325,396	410,659	410,659
Total Assets	497,327	488,158	424,380	424,156
<u>Liabilities and Equity</u>				
Current Liabilities				
Trade and other payables	21,142	20,857	478	436
Income taxes payable	1,325	1,953	-	-
Lease liability	6	23	-	-
	22,473	22,833	478	436
Non-Current Liabilities				
Long-term liabilities	10,880	10,924	-	-
Deferred tax liabilities	2,970	2,756	-	-
	13,850	13,680	-	-
Total Liabilities	36,323	36,513	478	436
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	42,432	34,808	-	-
Retained earnings	62,216	60,762	14,735	14,553
	445,351	436,273	423,902	423,720
Non-Controlling Interests	15,653	15,372	-	-
Total Equity	461,004	451,645	423,902	423,720
Total Liabilities and Equity	497,327	488,158	424,380	424,156

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

	As at 31/03/2021			As at 31/12/2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	6	-	6	23	-	23
Total	6	-	6	23	-	23

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 31 MARCH 2021

	1st Qtr 2021 S\$'000	1st Qtr 2020 S\$'000
Cash flows from operating activities		
Profit/(Loss) for the period	1,507	(494)
Adjustments for:		
Depreciation of property, plant and equipment	2,284	2,235
Depreciation of investment properties	3,124	2,970
Amortisation of deferred charges	6	5
Write back of impairment loss on trade receivables	-	(2)
Changes in fair value of financial assets at fair value through profit or loss	-	22
Interest income	(1,209)	(1,319)
Interest expense	2	2
Unrealised foreign exchange gain, net	(1,394)	(1,462)
Income tax expenses	1,590	480
Operating cash flows before working capital changes	5,910	2,437
Changes in working capital:		
Trade receivables and other current assets	(870)	(2,524)
Inventories	25	(55)
Trade payables and other payables	241	(1,492)
Cash generated/(used in) from operations	5,306	(1,634)
Income tax paid	(1,960)	(4,314)
Interest received	87	1,314
Interest paid	(2)	(2)
Net cash generated from/(used in) operating activities	3,431	(4,636)
Cash flows from investing activities		
Capital expenditure on investment properties	(155)	-
Capital expenditure on property, plant and equipment	(130)	(36)
Proceeds from sale of short-term investments	-	1,401
Net cash (used in)/generated from investing activities	(285)	1,365
Cash flows from financing activities		
Payments of lease liability	(17)	(17)
Net cash used in financing activities	(17)	(17)
Net increase/(decrease) in cash and cash equivalents	3,129	(3,288)
Cash and cash equivalents at beginning of the period	159,869	159,522
Effect of exchange rate changes on cash and cash equivalent	4,434	6,958
Cash and cash equivalents at end of the period	167,432	163,192

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 S\$'000	Share Premium S\$'000	Treasury Shares S\$'000	Asset Revaluation Reserve S\$'000	Merger Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000	Non-Controlling Interests S\$'000	Total Equity S\$'000
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
Balance as at 1 Jan 2020	105,784	304,881	(1,498)	65,175	(133,639)	19,771	73,939	434,413	15,768	450,181
Loss for the period	-	-	-	-	-	-	(430)	(430)	(64)	(494)
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	18,224	-	18,224	653	18,877
Total comprehensive income for the period	-	-	-	-	-	18,224	(430)	17,794	589	18,383
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	-	(561)	(561)
Balance as at 31 Mar 2020	105,784	304,881	(1,498)	65,175	(133,639)	37,995	73,509	452,207	15,796	468,003

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 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
Balance as at 1 Jan 2020	105,784	304,881	(1,498)	22,561	431,728
Total comprehensive income for the period	-	-	-	1,185	1,185
Balance as at 31 Mar 2020	105,784	304,881	(1,498)	23,746	432,913

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2020. The details of the Company's issued and paid-up share capital are as follows:

	As at 31 Mar 2021	As at 31 Dec 2020
Number of issued and paid-up share capital (excluding treasury shares)	758,768,832	758,768,832
Number/Percentage of treasury shares	1,721,027 / 0.23%	1,721,027 / 0.23%

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 31 March 2021 and 31 December 2020 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 2020.

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.

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. 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 2020.

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 2021. 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

Earnings/(Loss) per ordinary share for the period after deducting any provision for preference dividends:-

(i) Based on weighted average number of ordinary shares
- Weighted average numbers of shares

(ii) On a fully diluted basis

The Group	
1st Qtr 2021	1st Qtr 2020
SGD0.19 cents 758,768,832	(SGD0.06 cents) 758,768,832
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

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

The Group		The Company	
As at 31 Mar 2021	As at 31 Dec 2020	As at 31 Mar 2021	As at 31 Dec 2020
S\$0.61	S\$0.60	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:

	1st Qtr 2021 <u>S\$'000</u>	1st Qtr 2020 <u>S\$'000</u>	Change %
Revenue from:			
Hotel	5,721	3,139	82.3
Property leasing	12,042	12,073	(0.3)
Total revenue	<u>17,763</u>	<u>15,212</u>	16.8
Gross Profit/(Loss) from:			
Hotel	(1,037)	(2,494)	(58.4)
Property leasing	6,296	6,811	(7.6)
Total gross profit	<u>5,259</u>	<u>4,317</u>	21.8
Gross Profit/(Loss) Margin			
Hotel	(18.1%)	(79.5%)	61.4
Property leasing	52.3%	56.4%	(4.1)
Overall	<u>29.6%</u>	<u>28.4%</u>	1.2

REVIEW OF PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2021

China's gross domestic product grew by a record 18.3% in the first quarter of 2021 ("1Q2021") in comparison to the same period last year ("1Q2020"), when the country was in the midst of a crushing lockdown to control the spread of the coronavirus. The Group reported a higher revenue at S\$17.8 million with EBITDA improved to S\$9.7 million in 1Q2021. This was mainly attributable to improved average hotel occupancy rate and absence of one-off cash donation of RMB20 million (equivalent to S\$4.0 million) towards the Shanghai Public Welfare for the fight against COVID-19.

REVENUE

The Group's revenue increased by 16.8% in 1Q2021 mainly due to the improved average hotel occupancy rate driven by domestic demand. Hotel revenue increased by 82.3% from S\$3.1 million in 1Q2020 to S\$5.7 million 1Q2021 as a result of the improved average occupancy rate by 22.6% to 38.9% in 1Q2021.

Leasing income remained fairly constant at S\$12.0 million in the current period despite the highly competitive operating environment. The Group will continue to adopt flexible and aggressive marketing strategies to attract potential tenants and to retain the existing tenants.

GROSS PROFIT

The Group's gross profit increased from S\$4.3 million in 1Q2020 to S\$5.3 million in 1Q2021 mainly in tandem with higher hotel revenue. Consequently, the Group's gross profit margin improved from 28.4% in 1Q2020 to 29.6% in 1Q2021.

OPERATING EXPENSES

Total operating expenses increased by 22.1% from S\$4.3 million in 1Q2020 to S\$5.2 million mainly due to higher agent commission incurred, higher marketing and promotion expenses, as well as higher utilities, repair and maintenance expenses in view of the resumption of hotel activities.

OTHER OPERATING INCOME/(EXPENSES), NET

Net other operating income/(expenses) mainly comprised business assistance grants, advertising income and other miscellaneous income, foreign exchange gain/(loss), net of donation made. The Group recorded a net operating income of S\$1.9 million in 1Q2021 as compared to a net operating expense of S\$1.4 million in 1Q2020, mainly due to absence of one-off donation made towards Shanghai Public Welfare and other supports to help those impacted, especially the front line healthcare workers, ensuring that they have adequate protection in terms of medical protective supplies, consumables and disposable medical devices, disinfection supplies and cleaning supplies to Shanghai and other cities affected.

The Group recorded a foreign exchange loss of S\$1.2 million in 1Q2021 as compared to gain of S\$0.3 million in the corresponding period mainly due to unrealised translation differences 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. The current period's income tax expense was higher at S\$1.6 million mainly due to higher taxable income in certain subsidiaries in line with the improved operating results, coupled with higher non-deductible expenses.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2021

ASSETS

The Group's total assets of S\$497.3 million mainly consist of investment properties of S\$180.1 million; property, plant and equipment of S\$140.8 million and cash and cash equivalents of S\$167.4 million. Total assets increased by S\$9.1 million as compared to S\$488.2 million as at 31 December 2020 mainly attributable to translation effect of strengthening of Chinese Renminbi ("RMB") against Singapore dollars, as well as higher trade and other receivables.

LIABILITIES

The Group's total liabilities decreased marginally to S\$36.3 million as at 31 March 2021 mainly due to lower income tax payable following payments made during the current period.

REVIEW OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

The Group recorded a net cash generated from operating activities of S\$3.4 million in 1Q2021 as compared to net cash outflow of S\$4.6 million in 1Q2020. This was mainly due to improved operating performance and lower cash used in working capital during the current period.

Net cash used in investing activities of S\$0.3 million related to capital expenditure incurred on fixed assets and properties.

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 state of the virus outbreak remains fluid over the world. Recent progress on coronavirus vaccines in China has brightened its economic outlook, but a potentially shortage or slow rollout of vaccines across developing economies could hamper a return of activity to pre-pandemic levels. The Group will continue to monitor the impact of the pandemic crisis on its business operations and adjust business strategies on developing domestic market. The Group will also continue to institute, without any complacency, a series of precautionary health and hygiene measures, including the stepping up of cleaning and disinfection of facilities and necessary temperature screening test of its employees, tenants and guests.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision

No interim dividend has been declared for the first quarter ended 31 March 2021 as the Company generally review its dividend policy at the end of the financial year.

13. Interested persons transactions disclosure

There is no relevant interested person transaction entered into during the 3-month period ended 31 March 2021.

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 first quarter ended 31 March 2021 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
12 May 2021

#