



ANNUAL GENERAL MEETING: RESPONSES TO QUESTIONS FROM SHAREHOLDERS

Bund Center Investment Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:

- (1) the annual report of the Company for the financial year ended 31 December 2021 (“**2021 Annual Report**”); and
- (2) the Notice of Annual General Meeting (“**AGM**”) dated 5 April 2022 relating to the Company’s AGM to be held by electronic means on 26 April 2022 at 2.00 pm.

The Company would like to thank shareholders for submitting their questions in advance of our AGM.

Please see below for the Company’s responses to questions received from shareholder(s) as of 14 April 2022:

Shareholder 1

Question 1

“The company appointed Savills Real Estate Valuation (Guangzhou) Ltd to do a valuation of its property assets in March 2022. Previously, such valuations were only done once every 2 years (2015, 2017, 2019, 2021). Why was there a need to do the valuation again this year and how do such valuations help the company given that the company is debt free and does not need to meet any debt covenants?”

Company’s response:

The Group’s property assets are stated at cost less accumulated depreciation and any impairment loss. The Group is required under the International Accounting Standards (IAS) 40, *Investment Property* to disclose the fair value of its investment properties as at each reporting date. Fair value was determined using a combination of market data approach and income capitalisation approach. In view of the changing and uncertain market conditions brought on by the pandemic, the management is of the opinion that it is more appropriate to conduct an independent professional valuation in order to determine the fair value of the property assets as at the end of the financial year.

Question 2

“The company has ample cash on its balance sheet and is unlikely to require any form of capital markets financing. Given the onerous requirements of being a listed company as well as the costs involved, what are the benefits for Bund Center to stay listed on SGX?”

Company’s response:

The outbreak of the COVID-19 Omicron variant and the Chinese Government’s stringent lockdown measures and travel policies could possibly affect recovery of the business demand activity to pre-pandemic levels, thus

affecting operating cashflows. It is therefore prudent for the Group to conserve cash to meet the operations, capital requirements and financial conditions, as well as general business conditions and other factors, prior to any decision by the Board on the amount of dividends, if any, to be declared.

It has been BCI's policy to drive its business growth by internal and external expansion strategy. However, in view of the slowing down of China economy, the business environment in which the Group operates, has become more challenging in terms of competition, volatility and turbulence, and so the Group will have to exercise prudence and wisdom in identifying and selecting any good business opportunities. In the event of any such plan crystallizing, staying listed on SGX provides BCI the flexibility to tap capital markets for debt and equity funding to pursue these growth opportunities.

By Order of the Board
Bund Center Investment Ltd

Frankle (Djafar) Widjaja
Executive Chairman and Chief Executive Officer
20 April 2022