



**BUND CENTER INVESTMENT LTD**

**Third 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 30 SEPTEMBER 2016**

	<b>Ytd Sept 2016 S\$'000</b>	<b>Ytd Sept 2015 S\$'000</b>	<b>Change %</b>	<b>3rd Qtr 2016 S\$'000</b>	<b>3rd Qtr 2015 S\$'000</b>	<b>Change %</b>
Revenue	97,162	104,283	(6.8)	30,826	34,482	(10.6)
Cost of sales	<u>(45,304)</u>	<u>(49,968)</u>	(9.3)	<u>(14,185)</u>	<u>(17,042)</u>	(16.8)
Gross profit	<u>51,858</u>	<u>54,315</u>	(4.5)	<u>16,641</u>	<u>17,440</u>	(4.6)
Operating expenses						
Selling expenses	(4,863)	(4,645)	4.7	(1,535)	(1,486)	3.3
General and administrative expenses	<u>(16,040)</u>	<u>(18,129)</u>	(11.5)	<u>(5,444)</u>	<u>(6,131)</u>	(11.2)
Total operating expenses	<u>(20,903)</u>	<u>(22,774)</u>	(8.2)	<u>(6,979)</u>	<u>(7,617)</u>	(8.4)
Operating profit	30,955	31,541	(1.9)	9,662	9,823	(1.6)
Financial income	1,680	2,026	(17.1)	311	673	(53.8)
Financial expenses	(277)	(680)	(59.3)	(2)	(240)	(99.2)
Other operating income/ (expenses), net	<u>4,018</u>	<u>3,086</u>	30.2	<u>22</u>	<u>(2,917)</u>	n.m.
Profit before income tax	36,376	35,973	1.1	9,993	7,339	36.2
Income tax	<u>(12,329)</u>	<u>(11,684)</u>	5.5	<u>(3,416)</u>	<u>(2,755)</u>	24.0
Total profit for the period	<u>24,047</u>	<u>24,289</u>	(1.0)	<u>6,577</u>	<u>4,584</u>	43.5
Attributable to:						
Owners of the Company	23,137	23,368	(1.0)	6,347	4,403	44.2
Non-controlling interests	<u>910</u>	<u>921</u>	(1.2)	<u>230</u>	<u>181</u>	27.1
	<u>24,047</u>	<u>24,289</u>	(1.0)	<u>6,577</u>	<u>4,584</u>	43.5

Note: n.m. - not meaningful

**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 SEPTEMBER 2016**

	<b>Ytd Sept 2016 S\$'000</b>	<b>Ytd Sept 2015 S\$'000</b>	<b>3rd Qtr 2016 S\$'000</b>	<b>3rd Qtr 2015 S\$'000</b>
Total profit for the period	24,047	24,289	6,577	4,584
<b>Other comprehensive (loss)/income:</b>				
<u>Items that may be reclassified subsequently to the profit or loss:</u>				
Foreign currency translation differences arising from consolidation, net of tax	(27,256)	24,121	4,607	15,552
<b>Total comprehensive (loss)/income for the period</b>	<b>(3,209)</b>	<b>48,410</b>	<b>11,184</b>	<b>20,136</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(3,092)	46,604	10,789	19,384
Non-controlling interests	(117)	1,806	395	752
	<b>(3,209)</b>	<b>48,410</b>	<b>11,184</b>	<b>20,136</b>

**ADDITIONAL INFORMATION**

	<b>Ytd Sept 2016 S\$'000</b>	<b>Ytd Sept 2015 S\$'000</b>	<b>Change %</b>	<b>3rd Qtr 2016 S\$'000</b>	<b>3rd Qtr 2015 S\$'000</b>	<b>Change %</b>
<b>Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items ("EBITDA")</b>	54,990	57,091	(3.7)	15,725	16,274	(3.4)
Interest on borrowings	(277)	(680)	(59.3)	(2)	(240)	(99.2)
Depreciation and amortisation	(16,515)	(17,311)	(4.6)	(5,427)	(5,857)	(7.3)
Foreign exchange loss, net	(1,822)	(3,127)	(41.7)	(303)	(2,838)	(89.3)
Profit before income tax	<b>36,376</b>	<b>35,973</b>	1.1	<b>9,993</b>	<b>7,339</b>	36.2

**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 30/9/2016 S\$'000	31/12/2015 S\$'000	As at 30/9/2016 S\$'000	31/12/2015 S\$'000
<b><u>Assets</u></b>				
Current Assets				
Cash and cash equivalents	67,885	120,516	40	170
Short-term investments	1,108	1,305	-	-
Trade receivables and other current assets	4,615	4,693	36,514	40,836
Inventories, at cost	496	445	-	-
	74,104	126,959	36,554	41,006
Non-Current Assets				
Interest in subsidiaries	-	-	410,659	410,659
Investment properties	227,713	251,927	-	-
Property, plant and equipment	179,321	196,458	-	-
Deferred tax assets	4,880	5,416	-	-
Deferred charges	637	699	-	-
	412,551	454,500	410,659	410,659
<b>Total Assets</b>	<b>486,655</b>	<b>581,459</b>	<b>447,213</b>	<b>451,665</b>
<b><u>Liabilities and Equity</u></b>				
Current Liabilities				
Borrowings	-	56,624	-	-
Trade and other payables	25,133	26,543	3	286
Income tax payable	4,617	5,658	-	-
Obligations under finance lease	70	19	-	-
	29,820	88,844	3	286
Non-Current Liabilities				
Long-term liabilities	12,887	11,822	-	-
Obligations under finance lease	251	22	-	-
Deferred tax liabilities	1,811	1,989	-	-
	14,949	13,833	-	-
<b>Total Liabilities</b>	44,769	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	43,245	69,474	-	-
Retained earnings	42,118	51,608	38,043	42,212
	426,066	461,785	447,210	451,379
Non-Controlling Interests	15,820	16,997	-	-
<b>Total Equity</b>	441,886	478,782	447,210	451,379
<b>Total Liabilities and Equity</b>	<b>486,655</b>	<b>581,459</b>	<b>447,213</b>	<b>451,665</b>

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

	As at 30/9/2016			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	251	-	251	22	-	22
<b>Total</b>	<b>321</b>	<b>-</b>	<b>321</b>	<b>56,665</b>	<b>-</b>	<b>56,665</b>

### Details of any collateral

The secured borrowings are 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 SEPTEMBER 2016

	Ytd Sept 2016 S\$'000	Ytd Sept 2015 S\$'000	3rd Qtr 2016 S\$'000	3rd Qtr 2015 S\$'000
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	<b>36,376</b>	<b>35,973</b>	<b>9,993</b>	<b>7,339</b>
Adjustments for:				
Depreciation of property, plant and equipment	7,169	7,479	2,372	2,527
Depreciation of investment properties	9,325	9,810	3,048	3,323
Amortisation of deferred charges	21	22	7	7
Changes in fair value of financial assets at fair value through profit or loss	197	(406)	16	536
Gain on disposal of property, plant and equipment	(97)	(63)	(97)	-
Property, plant and equipment written off	16	14	8	8
Interest income	(1,680)	(2,026)	(311)	(673)
Interest expense	277	680	2	240
Unrealised foreign exchange loss, net	2,948	1,513	850	1,796
Operating cash flows before working capital changes	54,552	52,996	15,888	15,103
Changes in working capital:				
Trade receivables and other current assets	78	3,032	2,818	139
Inventories	(51)	(24)	8	(42)
Trade and other payables	(1,405)	(2,490)	(2,786)	1,852
Cash generated from operations	53,174	53,514	15,928	17,052
Income tax paid	(12,840)	(11,972)	(4,719)	(5,325)
Interest received	1,680	2,032	311	674
Interest paid	(277)	(680)	(2)	(240)
<b>Net cash from operating activities</b>	<b>41,737</b>	<b>42,894</b>	<b>11,518</b>	<b>12,161</b>

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

	Ytd Sept 2016 <u>S\$'000</u>	Ytd Sept 2015 <u>S\$'000</u>	3rd Qtr 2016 <u>S\$'000</u>	3rd Qtr 2015 <u>S\$'000</u>
<b>Cash flows from investing activities</b>				
Capital expenditure on property, plant and equipment	(1,349)	(536)	-	(255)
Proceeds from disposal of property, plant and equipment	100	99	97	2
Proceeds from investment in short-term investments	-	1,927	-	1,927
<b>Net cash (used in)/generated from investing activities</b>	<b><u>(1,249)</u></b>	<b><u>1,490</u></b>	<b><u>97</u></b>	<b><u>1,674</u></b>
<b>Cash flows from financing activities</b>				
Repayments of obligations under finance lease	(70)	(14)	(17)	(4)
Repayments of long-term borrowings	(53,960)	-	-	-
Payments of dividends to owners of the Company	(32,627)	-	-	-
Payments for shares buy back	-	(236)	-	(61)
<b>Net cash used in financing activities</b>	<b><u>(86,657)</u></b>	<b><u>(250)</u></b>	<b><u>(17)</u></b>	<b><u>(65)</u></b>
Net (decrease)/increase in cash and cash equivalents	(46,169)	44,134	11,598	13,770
Cash and cash equivalents at beginning of the period	120,516	60,221	56,484	91,683
Effect of exchange rate changes on balances of cash held in foreign currencies	(6,462)	4,131	(197)	3,033
<b>Cash and cash equivalents at end of the period</b>	<b><u>67,885</u></b>	<b><u>108,486</u></b>	<b><u>67,885</u></b>	<b><u>108,486</u></b>

**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 <u>S\$'000</u>	Share Premium <u>S\$'000</u>	Treasury Shares <u>S\$'000</u>	Retained Earnings <u>S\$'000</u>	Total <u>S\$'000</u>
Balance as at 1 Jan 2016	105,784	304,881	(1,498)	42,212	451,379
Total comprehensive loss for the period	-	-	-	(3,319)	(3,319)
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>
Total comprehensive income for the period	-	-	-	31,777	31,777
Balance as at 30 Sept 2016	<u>105,784</u>	<u>304,881</u>	<u>(1,498)</u>	<u>38,043</u>	<u>447,210</u>
Balance as at 1 Jan 2015	105,784	304,881	(1,262)	6,334	415,737
Shares buy back	-	-	(175)	-	(175)
Total comprehensive loss for the period	-	-	-	(31)	(31)
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>
Shares buy back	-	-	(61)	-	(61)
Total comprehensive income for the period	-	-	-	200	200
Balance as at 30 Sept 2015	<u>105,784</u>	<u>304,881</u>	<u>(1,498)</u>	<u>6,503</u>	<u>415,670</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**

<b>The Group</b>	← Attributable to Owners of the Company →									<b>Total Equity</b>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Treasury Shares</b>	<b>Asset Revaluation Reserve</b>	<b>Merger Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>	<b>Non-Controlling Interests</b>	
	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	-	-	-	-	-	-	16,790	16,790	680	17,470
Other comprehensive loss for the period – Foreign currency translation	-	-	-	-	-	(30,671)	-	(30,671)	(1,192)	(31,863)
Total comprehensive loss for the period	-	-	-	-	-	(30,671)	16,790	(13,881)	(512)	(14,393)
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
Profit for the period	-	-	-	-	-	-	6,347	6,347	230	6,577
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	4,442	-	4,442	165	4,607
Total comprehensive income for the period	-	-	-	-	-	4,442	6,347	10,789	395	11,184
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	-	(1,060)	(1,060)
Balance as at 30 Sept 2016	105,784	304,881	(1,498)	65,175	(133,639)	43,245	42,118	426,066	15,820	441,886

**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**

<b>The Group</b>	← 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	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
Shares buy back	-	-	(175)	-	-	-	-	(175)	-	(175)
Profit for the period	-	-	-	-	-	-	18,965	18,965	740	19,705
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	8,255	-	8,255	314	8,569
Total comprehensive income for the period	-	-	-	-	-	8,255	18,965	27,220	1,054	28,274
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
Shares buy back	-	-	(61)	-	-	-	-	(61)	-	(61)
Profit for the period	-	-	-	-	-	-	4,403	4,403	181	4,584
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	14,981	-	14,981	571	15,552
Total comprehensive income for the period	-	-	-	-	-	14,981	4,403	19,384	752	20,136
Balance as at 30 Sept 2015	105,784	304,881	(1,498)	65,175	(133,639)	81,177	46,319	468,199	18,502	486,701

**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**

There were no movements in the Company's issued capital since 30 June 2016. The Company's issued and paid-up share capital (excluding 1,721,027 shares held as treasury shares) comprised 758,768,832 shares of US\$0.10 each as at 30 September 2016.

As at 30 September 2015, the Company's issued and paid-up capital (excluding 6,887,000 ordinary shares held as treasury shares) comprised 3,035,072,440 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 September 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 September 2016 were as follows:

	<b><u>Number of ordinary shares of US\$0.025 each</u></b>	<b><u>Number of ordinary shares of US\$0.10 each</u></b>
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 September 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**

		<b>The Group</b>			
		<b>Ytd Sept 2016</b>	<b>(Restated)<sup>(1)</sup> Ytd Sept 2015</b>	<b>3rd Qtr 2016</b>	<b>(Restated)<sup>(1)</sup> 3rd Qtr 2015</b>
Earnings per ordinary share for the period after deducting any provision for preference dividends:-					
(i) Based on weighted average number of ordinary shares		SGD3.05cents	SGD3.08cents	SGD0.84cents	SGD0.58cents
- Weighted average numbers of shares		758,768,832	758,874,501	758,768,832	758,831,007
(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**

		<b>The Group</b>		<b>The Company</b>	
		<b>As at 30 Sept 2016</b>	<b>(Restated)<sup>(1)</sup> As at 31 Dec 2015</b>	<b>As at 30 Sept 2016</b>	<b>(Restated)<sup>(1)</sup> As at 31 Dec 2015</b>
Net asset value per ordinary share based on existing issued share capital of 758,768,832 (31 Dec 2015: 758,768,110) shares		S\$0.56	S\$0.61	S\$0.59	S\$0.59

Note:

(1) Comparative net asset value 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:**

	<b>Ytd Sept 2016 <u>S\$'000</u></b>	<b>Ytd Sept 2015 <u>S\$'000</u></b>	<b>Change %</b>
<b>Revenue from:</b>			
Hotel	48,703	49,757	(2.1)
Property leasing	<u>48,459</u>	<u>54,526</u>	(11.1)
Total revenue	<u>97,162</u>	<u>104,283</u>	(6.8)
<b>Gross Profit from:</b>			
Hotel	22,623	21,217	6.6
Property leasing	<u>29,235</u>	<u>33,098</u>	(11.7)
Total gross profit	<u>51,858</u>	<u>54,315</u>	(4.5)
<b>Gross Profit Margin</b>			
Hotel	46.5%	42.6%	3.9
Property leasing	60.3%	60.7%	(0.4)
Overall	<u>53.4%</u>	<u>52.1%</u>	1.3

**REVIEW OF PERFORMANCE FOR NINE MONTHS ENDED 30 SEPTEMBER 2016**

The Group recorded a lower revenue of S\$97.2 million for the nine months ended 30 September 2016 ("9M2016"), while net profit attributable to owners of the Company remained fairly constant at S\$23.1 million as compared to S\$23.4 million in the corresponding period in 2015 ("9M2015").

**REVENUE**

The Group's revenue decreased by 6.8% to S\$97.2 million in 9M2016 primarily attributable to the effect of weakening of Chinese Renminbi ("RMB") against Singapore dollar and lower leasing income. Comparing in RMB terms, total hotel revenue increased by 3% from RMB227.4 million in 9M2015 to RMB234.1 million in 9M2016 mainly due to increase in average occupancy rate from 79.1% to 82.1% in the current period, supported by higher demand from increased tourist arrivals in Shanghai.

Leasing income decreased to S\$48.5 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 92.7% in 9M2016 as compared to 94.0% in 9M2015.

**GROSS PROFIT**

The Group's gross profit decreased by 4.5% to S\$51.9 million in 9M2016 mainly attributable to the effect of weakening of RMB. RMB depreciated by approximately 5% against Singapore dollar during the current period. However, the increased hotel revenue has resulted higher gross profit margin at 53.4% as compared to 52.1% in 9M2015.

**OPERATING EXPENSES**

Selling expenses of S\$4.9 million mainly comprised advertising and promotion expenses, salaries and related expenses and marketing expenses. General and administrative expenses of S\$16.0 million mainly comprised salaries and related expenses, office and hotel supplies, repair and maintenance, professional fees and management fee payable to the hotel operator. The 8.2% reduction in total operating expenses in 9M2016 was mainly due to decreases in salary and related expenses and professional fees incurred.

## **FINANCIAL INCOME, NET**

Financial income (net of financial expenses) increased from S\$1.3 million in 9M2015 to S\$1.4 million in 9M2016 mainly attributable to lower interest expenses following the repayment of bank loans made during the current period.

## **OTHER OPERATING INCOME, NET**

Net other operating income mainly comprised business assistance grants, advertising income and other miscellaneous income, after deducting the net foreign exchange loss. Net operating income was higher at S\$4.0 million mainly due to lower net foreign exchange loss. Net foreign exchange loss was lower at S\$1.8 million in the current period as compared to S\$3.1 million in 9M2015 following the settlement of U.S Dollar denominated borrowings.

## **REVIEW OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**

### **ASSETS**

The Group's total assets of S\$486.7 million mainly consist of investment properties of S\$227.7 million; property, plant and equipment of S\$179.3 million and cash and cash equivalents of S\$67.9 million. Comparing to total assets as at 31 December 2015, the decrease of S\$94.8 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 for the current period.

### **LIABILITIES**

The Group's total liabilities decreased by S\$57.9 million to S\$44.8 million as at 30 September 2016 mainly due to repayment of bank borrowings during the current period.

## **REVIEW OF CASH FLOWS FOR NINE MONTHS ENDED 30 SEPTEMBER 2016**

Cash and cash equivalents were lower at S\$67.9 million as at 30 September 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**

Shanghai's economics remained stable, with tertiary industry growing by 10.3% year-on-year in the first three quarters of 2016. This strong fundamental continued to drive demand for Shanghai's Grade A office space. However, the operating environment for our leasing operations remains challenging in view of the increased supply of new office spaces in Shanghai. The outlook for our hotel operations remains stable supported by increased visitor arrivals in Shanghai.

## 11. Dividend

### **(a) Current Financial Period Reported On**

Any ordinary dividend declared for the current financial period reported on? Yes

Name of Dividend:	Interim dividend
Dividend Type:	Cash
Dividend Amount per share:	S\$0.031 per ordinary share
Number of shares:	758,768,832
Tax Rate:	Tax not applicable

### **(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**

The interim dividend will be paid on 12 December 2016.

### **(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 6 December 2016 on which day no share transfer will be effected. Duly completed transfers received by the Company's Singapore Share Transfer Office and Share Transfer Agent, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544, up to the close of business at 5.00 p.m. on 5 December 2016 will be registered to determine shareholders' entitlements to the interim dividend.

## 12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

## 13. Interested persons transactions disclosure

There is no relevant interested persons transaction entered into during the nine months ended 30 September 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 third quarter and nine months ended 30 September 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  
14 November 2016

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 14 November 2016 to the SGX