



BUND CENTER INVESTMENT LTD

Half Year 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 JUNE 2019**

	1st Half 2019 S\$'000	1st Half 2018 S\$'000	Change %	2nd Qtr 2019 S\$'000	2nd Qtr 2018 S\$'000	Change %
Revenue	54,379	59,899	(9.2)	28,836	31,216	(7.6)
Cost of sales	<u>(26,628)</u>	<u>(28,861)</u>	(7.7)	<u>(13,198)</u>	<u>(14,420)</u>	(8.5)
Gross profit	<u>27,751</u>	<u>31,038</u>	(10.6)	<u>15,638</u>	<u>16,796</u>	(6.9)
Operating expenses						
Selling expenses	(2,133)	(2,929)	(27.2)	(1,265)	(1,552)	(18.5)
General and administrative expenses	<u>(9,799)</u>	<u>(9,630)</u>	1.8	<u>(5,012)</u>	<u>(4,565)</u>	9.8
Total operating expenses	<u>(11,932)</u>	<u>(12,559)</u>	(5.0)	<u>(6,277)</u>	<u>(6,117)</u>	2.6
Operating profit	15,819	18,479	(14.4)	9,361	10,679	(12.3)
Financial income	1,932	1,886	2.4	848	1,293	(34.4)
Financial expenses	(4)	(4)	-	(2)	(2)	-
Other operating income/(expenses), net	<u>4,554</u>	<u>1,777</u>	156.3	<u>2,126</u>	<u>(410)</u>	n.m.
Profit before income tax	22,301	22,138	0.7	12,333	11,560	6.7
Income tax	<u>(7,382)</u>	<u>(7,489)</u>	(1.4)	<u>(4,341)</u>	<u>(4,204)</u>	3.3
Total profit for the period	<u>14,919</u>	<u>14,649</u>	1.8	<u>7,992</u>	<u>7,356</u>	8.6
Attributable to:						
Owners of the Company	14,471	14,180	2.1	7,726	7,085	9.0
Non-controlling interests	<u>448</u>	<u>469</u>	(4.5)	<u>266</u>	<u>271</u>	(1.8)
	<u>14,919</u>	<u>14,649</u>	1.8	<u>7,992</u>	<u>7,356</u>	8.6

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 JUNE 2019**

	1st Half 2019 <u>S\$'000</u>	1st Half 2018 <u>S\$'000</u>	2nd Qtr 2019 <u>S\$'000</u>	2nd Qtr 2018 <u>S\$'000</u>
Total profit for the period	14,919	14,649	7,992	7,356
Other comprehensive (loss)/income:				
<u>Items that may be reclassified subsequently to the profit or loss:</u>				
Foreign currency difference arising from consolidation, net of tax	<u>(2,761)</u>	<u>3,037</u>	<u>(10,583)</u>	<u>(2,798)</u>
Total comprehensive income/(loss) for the period	<u>12,158</u>	<u>17,686</u>	<u>(2,591)</u>	<u>4,558</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	11,784	17,144	(2,462)	4,448
Non-controlling interests	<u>374</u>	<u>542</u>	<u>(129)</u>	<u>110</u>
	<u>12,158</u>	<u>17,686</u>	<u>(2,591)</u>	<u>4,558</u>

ADDITIONAL INFORMATION

	1st Half 2019 <u>S\$'000</u>	1st Half 2018 <u>S\$'000</u>	Change %	2nd Qtr 2019 <u>S\$'000</u>	2nd Qtr 2018 <u>S\$'000</u>	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation and foreign exchange gain/(loss) ("EBITDA")	32,309	34,630	(6.7)	18,297	18,240	0.3
Interest on borrowings	(4)	(4)	-	(2)	(2)	-
Depreciation and amortisation	(10,405)	(11,063)	(5.9)	(5,185)	(5,531)	(6.3)
Foreign exchange gain/(loss)	401	(1,425)	n.m.	(777)	(1,147)	(32.3)
Profit before income tax	<u>22,301</u>	<u>22,138</u>	0.7	<u>12,333</u>	<u>11,560</u>	6.7

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	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Assets</u>				
Current Assets				
Cash and cash equivalents	136,540	141,714	204	41
Short-term investments	1,291	1,022	-	-
Trade receivables and other current assets	3,994	3,531	14,320	31,372
Inventories, at cost	386	389	-	-
	142,211	146,656	14,524	31,413
Non-Current Assets				
Interest in subsidiaries	-	-	410,659	410,659
Investment properties	186,711	193,492	-	-
Property, plant and equipment	149,923	154,148	-	-
Right-of-use asset	260	-	-	-
Deferred tax assets	3,942	4,099	-	-
Deferred charges	554	568	-	-
	341,390	352,307	410,659	410,659
Total Assets	483,601	498,963	425,183	442,072
<u>Liabilities and Equity</u>				
Current Liabilities				
Trade and other payables	18,035	26,348	394	301
Income tax payable	3,679	6,080	-	-
Obligations under finance lease	-	70	-	-
Lease liability	70	-	-	-
	21,784	32,498	394	301
Non-Current Liabilities				
Long-term liabilities	13,081	12,641	-	-
Obligations under finance lease	-	93	-	-
Lease liability	58	-	-	-
Deferred tax liabilities	2,952	2,915	-	-
	16,091	15,649	-	-
Total Liabilities	37,875	48,147	394	301
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	28,522	31,209	-	-
Retained earnings	60,844	63,066	15,622	32,604
	430,069	434,978	424,789	441,771
Non-Controlling Interests	15,657	15,838	-	-
Total Equity	445,726	450,816	424,789	441,771
Total Liabilities and Equity	483,601	498,963	425,183	442,072

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

	As at 30/6/2019			As at 31/12/2018		
	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	70	-	70
Amount repayable after one year	58	-	58	93	-	93
Total	128	-	128	163	-	163

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 30 JUNE 2019

	1st Half 2019 S\$'000	1st Half 2018 S\$'000	2nd Qtr 2019 S\$'000	2nd Qtr 2018 S\$'000
Cash flows from operating activities				
Profit for the period	14,919	14,649	7,992	7,356
Adjustments for:				
Depreciation of property, plant and equipment	4,415	4,855	2,210	2,428
Depreciation of right-of-use asset	72	-	35	-
Depreciation of investment properties	5,907	6,196	2,934	3,097
Amortisation of deferred charges	11	12	6	6
(Write-back of)/Allowance for loss on trade receivables	(8)	15	(3)	(2)
Changes in fair value of financial assets at fair value through profit or loss	(279)	158	2	115
Property, plant and equipment written off	1	-	1	-
Interest income	(1,932)	(1,886)	(848)	(1,293)
Interest expense	4	4	2	2
Unrealised foreign exchange (gain)/loss	(606)	793	1,103	747
Income tax expenses	7,382	7,489	4,341	4,204
Operating cash flows before working capital changes	29,886	32,285	17,775	16,660
Changes in working capital:				
Trade receivables and other current assets	(331)	208	373	590
Inventories	3	14	15	13
Trade and other payables	(7,326)	(250)	(7,254)	4,086
Cash generated from operations	22,232	32,257	10,909	21,349
Income tax paid	(9,465)	(9,927)	(2,467)	(5,149)
Interest received	1,808	1,871	734	1,296
Interest paid	(4)	(4)	(2)	(2)
Net cash from operating activities	14,571	24,197	9,174	17,494
Cash flows from investing activities				
Capital expenditure on property, plant and equipment	(1,222)	(383)	(277)	(132)
Net cash used in investing activities	(1,222)	(383)	(277)	(132)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019 (cont'd)**

	1st Half 2019 S\$'000	1st Half 2018 S\$'000	2nd Qtr 2019 S\$'000	2nd Qtr 2018 S\$'000
Cash flows from financing activities				
Payments of lease liability	(35)	-	(18)	-
Payments of obligations under finance lease	-	(35)	-	(18)
Payment of dividends to owners of the Company	(16,693)	-	(16,693)	-
Payment of dividends to non-controlling shareholders	(1,088)	(1,096)	(1,088)	(1,096)
Net cash used in financing activities	(17,816)	(1,131)	(17,799)	(1,114)
Net (decrease)/increase in cash and cash equivalents	(4,467)	22,683	(8,902)	16,248
Cash and cash equivalents at beginning of the period	141,714	93,904	148,685	101,658
Effect of exchange rate changes on balances of cash held in foreign currencies	(707)	203	(3,243)	(1,116)
Cash and cash equivalents at end of the period	136,540	116,790	136,540	116,790

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	Share Premium	Treasury Shares	Asset Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	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 2019	105,784	304,881	(1,498)	65,175	(133,639)	31,209	63,066	434,978	15,838	450,816
Profit for the period	-	-	-	-	-	-	6,745	6,745	182	6,927
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	7,501	-	7,501	321	7,822
Total comprehensive income for the period	-	-	-	-	-	7,501	6,745	14,246	503	14,749
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	-	(555)	(555)
Balance as at 31 Mar 2019	105,784	304,881	(1,498)	65,175	(133,639)	38,710	69,811	449,224	15,786	465,010
Profit for the period	-	-	-	-	-	-	7,726	7,726	266	7,992
Other comprehensive loss for the period – Foreign currency translation	-	-	-	-	-	(10,188)	-	(10,188)	(395)	(10,583)
Total comprehensive loss for the period	-	-	-	-	-	(10,188)	7,726	(2,462)	(129)	(2,591)
Dividends paid for 2018	-	-	-	-	-	-	(16,693)	(16,693)	-	(16,693)
Balance as at 30 Jun 2019	105,784	304,881	(1,498)	65,175	(133,639)	28,522	60,844	430,069	15,657	445,726

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	Share Premium	Treasury Shares	Asset Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	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 2018	105,784	304,881	(1,498)	65,175	(133,639)	43,998	36,549	421,250	16,034	437,284
Profit for the period	-	-	-	-	-	-	7,095	7,095	198	7,293
Other comprehensive income for the period – Foreign currency translation	-	-	-	-	-	5,601	-	5,601	234	5,835
Total comprehensive income for the period	-	-	-	-	-	5,601	7,095	12,696	432	13,128
Balance as at 31 Mar 2018	105,784	304,881	(1,498)	65,175	(133,639)	49,599	43,644	433,946	16,466	450,412
Profit for the period	-	-	-	-	-	-	7,085	7,085	271	7,356
Other comprehensive loss for the period – Foreign currency translation	-	-	-	-	-	(2,637)	-	(2,637)	(161)	(2,798)
Total comprehensive income for the period	-	-	-	-	-	(2,637)	7,085	4,448	110	4,558
Balance as at 30 Jun 2018	105,784	304,881	(1,498)	65,175	(133,639)	46,962	50,729	438,394	16,576	454,970

The 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 2019	105,784	304,881	(1,498)	32,604	441,771
Total comprehensive loss for the period	-	-	-	(238)	(238)
Balance as at 31 Mar 2019	105,784	304,881	(1,498)	32,366	441,533
Total comprehensive loss for the period	-	-	-	(51)	(51)
Dividends paid for 2018	-	-	-	(16,693)	(16,693)
Balance as at 30 Jun 2019	105,784	304,881	(1,498)	15,622	424,789
Balance as at 1 Jan 2018	105,784	304,881	(1,498)	14,773	423,940
Total comprehensive loss for the period	-	-	-	(295)	(295)
Balance as at 31 Mar 2018	105,784	304,881	(1,498)	14,478	423,645
Total comprehensive income for the period	-	-	-	483	483
Balance as at 30 Jun 2018	105,784	304,881	(1,498)	14,961	424,128

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 2018. The details of the Company's issued and paid-up share capital are as follows:

	As at 30 Jun 2019	As at 30 Jun 2018
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 30 June 2019 and 31 December 2018 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 2018.

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 2018.

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 revised IFRSs that are relevant to its operations and effective for period beginning 1 January 2019. Except as disclosed below, the adoption of the new and revised IFRSs has had no material financial impact on the Group's financial statements.

IFRS 16, *Leases* sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces existing lease accounting guidance. IFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group adopted IFRS 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognised the cumulative effect of initially applying IFRS16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group elected the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 January 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 December 2018. The Group also adopted an expedient offered by IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

The Group has entered into operating lease of office premises as lessee and the impact on its financial statements is not significant. The Group's obligations under finance lease have been reclassified into the appropriate line items under IFRS 16. The following reconciliations summarises the impacts of transition to IFRS 16 on the Group's financial statements.

Consolidated statement of financial position as at 31 December 2018 and 1 January 2019

	<u>At 31.12.2018</u> S\$'000	<u>Reclassification</u> S\$'000	<u>At 1.1.2019</u> S\$'000
<u>The Group</u>			
Property, plant and equipment	154,148	(332)	153,816
Right-of-use asset	-	332	332
Obligation under finance lease:			
Current	(70)	70	-
Non-current	(93)	93	-
Lease liability			
Current	-	(70)	(70)
Non-current	-	(93)	(93)

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

	The Group			
	1st Half 2019	1st Half 2018	2nd Qtr 2019	2nd Qtr 2018
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	SGD1.91cents	SGD1.87cents	SGD1.02cents	SGD0.93cents
- Weighted average numbers of shares	758,768,832	758,768,832	758,768,832	758,768,832
(ii) On a fully diluted basis	Not applicable	Not applicable	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**

	The Group		The Company	
	As at 30 Jun 2019	As at 31 Dec 2018	As at 30 Jun 2019	As at 31 Dec 2018
Net asset value per ordinary share based on existing issued share capital of 758,768,832	S\$0.57	S\$0.57	S\$0.56	S\$0.58

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 Half 2019 S\$'000	1st Half 2018 S\$'000	Change %
Revenue from:			
Hotel	27,458	31,951	(14.1)
Property leasing	26,921	27,948	(3.7)
Total revenue	54,379	59,899	(9.2)
Gross Profit from:			
Hotel	11,454	14,121	(18.9)
Property leasing	16,297	16,917	(3.7)
Total gross profit	27,751	31,038	(10.6)
Gross Profit Margin			
Hotel	41.7%	44.2%	(2.5)
Property leasing	60.5%	60.5%	-
Overall	51.0%	51.8%	(0.8)

REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2019

The Group's revenue was lower at S\$54.4 million for the half year ended 30 June 2019 ("1H2019") primarily attributable to lower hotel revenue. EBITDA and net profit for the current period were S\$32.3 million and S\$14.9 million respectively as compared to S\$34.6 million and S\$14.6 million respectively in the corresponding period in 2018 ("1H2018").

REVENUE

The Group's revenue lowered by 9.2% in 1H2019 mainly affected by lower hotel revenue and weakening of Chinese Renminbi ("RMB"). Hotel revenue decreased by 14.1% to S\$27.5 million in the current period mainly due to lower average occupancy rate and lower revenue from its food and beverages operations. Average occupancy rate decreased from 84.6% in 1H2018 to 73.7% in view of the competitive operating environment. Nonetheless, average room rate remained high at RMB1,179 in the current period as compared to RMB1,199 respectively in 1H2018.

Leasing income decreased marginally by 3.7% to S\$26.9 million in 1H2019 mainly attributable to weakening of RMB during the current period. Comparing in RMB terms, leasing income was marginally higher mainly due to higher average leasing occupancy rate for our office tower.

GROSS PROFIT

The Group's gross profit decreased by 10.6% to S\$27.8 million in 1H2019 in line with lower revenue recorded, while certain expenses in cost of sales, such as depreciation expenses, had remained fairly constant. Consequently, the Group's gross profit margin decreased from 51.8% in 1H2018 to 51.0% in 1H2019.

OPERATING EXPENSES

Selling expenses of S\$2.1 million mainly comprised advertising and promotion expenses, salaries and related expenses and marketing expenses. General and administrative expenses of S\$9.8 million mainly comprised salaries and related expenses, office and hotel supplies, repair and maintenance, professional fees and management fee payable to the hotel operator. Total operating expenses decreased by 5.0% from S\$12.6 million in 1H2018 to S\$11.9 million mainly due to decreases in salaries and related expenses in line with lower headcount and advertising and promotion expenses.

OTHER OPERATING INCOME, NET

Net other operating income mainly comprised business assistance grants, advertising income, changes in fair value on financial assets and other miscellaneous income, after deducting the net foreign exchange loss. Net other operating income was higher at S\$4.6 million in 1H2019 mainly due to fair value gain on financial assets and higher miscellaneous income, coupled with net foreign exchange gain recorded in the current period. The Group recorded a foreign exchange gain of S\$0.4 million in 1H2019 as compared to loss of S\$1.4 million in the corresponding period mainly due to unrealised translation differences on inter-company balances.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2019

ASSETS

The Group's total assets of S\$483.6 million mainly consist of investment properties of S\$186.7 million; property, plant and equipment of S\$149.9 million and cash and cash equivalents of S\$136.5 million. Total assets was lower by S\$15.4 million as compared to S\$499.0 million as at 31 December 2018 mainly attributable to lower book value of investment properties and property, plant and equipment due to depreciation expenses and translation loss arising from weakening of RMB recorded for the current period.

LIABILITIES

The Group's total liabilities lowered by S\$10.3 million to S\$37.9 million as at 30 June 2019 mainly due to lower income tax payable and other payables following payments made during the current period.

REVIEW OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2019

Cash and cash equivalents were lower at S\$136.5 million as at 30 June 2019 mainly resulting from payment of dividends to shareholders and non-controlling shareholders of S\$17.8 million and cash used for capital expenditure of S\$1.2 million in 1H2019, net of cash generated from operating activities of S\$14.6 million.

Net cash generated from operating activities was lower at S\$14.6 million as compared to S\$24.2 million in 1H2018, mainly due to high payment of income tax and other payables 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

As China economy is currently slowing down, the market sentiments on both the hotel and office leasing including Ningbo retail industry have relatively been not positive as a result of an over-supply market condition in Shanghai. Hence, in weathering the current storm, the Group shall conduct a strategic review of its market competitiveness by adopting a flexible marketing strategy to improve the rental yield and cost efficiency in the Group's operating performance for the optimisation of the shareholders' value.

11. Dividend

(a) Current Financial Period Reported On

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

(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

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been declared for the second quarter ended 30 June 2019 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 persons transaction entered into during the half year ended 30 June 2019.

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 second quarter and half year ended 30 June 2019 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 August 2019

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 14 August 2019 to the SGX