2019

ANNUAL REPORT

ENHANCING SPACES,
ELEVATING EXPERIENCES

THE BUND CENTER
The Heart of the Bund

THE WESTIN BUND CENTER
World-class luxury hotel offering premium services

Bund Center Investment Ltd
Listed on the Singapore Exchange

CONTENTS

CORPORATE PROFILE

The Group is engaged in investment holding property businesses in PRC. Currently, it is engaged in:

- the ownership of The Westin Bund Center Shanghai, a five-star hotel in Shanghai that is currently managed by Westin Hotel Management, L.P.; and
- the ownership and management of commercial and retail properties, namely the Bund Center Office Tower in Shanghai and the Golden Center, a six-storey retail complex in Ningbo, Zhejiang Province, PRC.

CORPORATE OVERVIEW

Listed on the Singapore Exchange on 30 June 2010, the Group owns The Bund Center and Golden Center.

THE BUND CENTER, SHANGHAI

The Bund Center, spanning approximately 189,100 sq. ft, was completed in 2002 and comprised our Office Tower, our Hotel, a podium which contained several retail outlets and a car park.

OUR OFFICE TOWER

Our Office Tower with a total gross floor area of approximately 1,414,600 sq. ft, comprises 43 storeys (including podium) of premium office premises. Being one of the tallest structures in the Bund skyline and its crown rooftop, it is now an iconic landmark on the Bund.

In 2002, our Office Tower was awarded the Shanghai Magnolia award for excellent engineering and construction and in 2004, our Office Tower received the FIABCI Prix d'Excellence Award. In September 2005, our Office Tower was named "Top Ten Best Office Building in China" by China Business Newspaper (中国经营报).

Our Office Tower has maintained a high average annual occupancy of 86.5% in FY2019 and continues to command premium rental rates. Key advantages of our Office Tower are its strategic location, which is at the center and heart of the prestigious Shanghai Bund, Super Grade A quality of the building and the convenience of having a leading hotel in the same property. Our Office Tower also provides added facilities and services to our tenants, including operating free shuttle bus services to the main public transport hub, providing concierge services, laundry pickup, cleaning and collection services, indoor air quality system (PM 2.5 filtration) and a mid-high scale staff cafeteria. In addition, our Office Tower has in place stringent security measures such as card access security gates.

OUR HOTEL

The five-star Westin Bund Center Shanghai is strategically located in the historic and magnificent Bund area, at the center of the commercial area of Shanghai and easily accessible to our Office Tower, convention centers, luxury branded shops and celebrated restaurants in the Bund area.

Our Hotel comprising two 22-storey towers with about 570 tastefully decorated guest rooms, is currently the only flagship Westin hotel in Shanghai.

It is also one of the hotels that is frequently involved in staging large scale corporate and fashion events in Shanghai. Our Hotel hosted many high profile events for many renowned international brands, including fashion, outside catering sporting and city events, product launches, as well as provided catering services for numerous high-end fortune 500 company events.

Since its opening in 2002, our Hotel has won many accolades and established itself as a world class luxury hotel offering premium services. It has been recognised consistently by influential global publications as an outstanding hotel. Our reputation for an excellent dining experience has been acknowledged, with numerous significant industry and culinary awards and acclaim received.

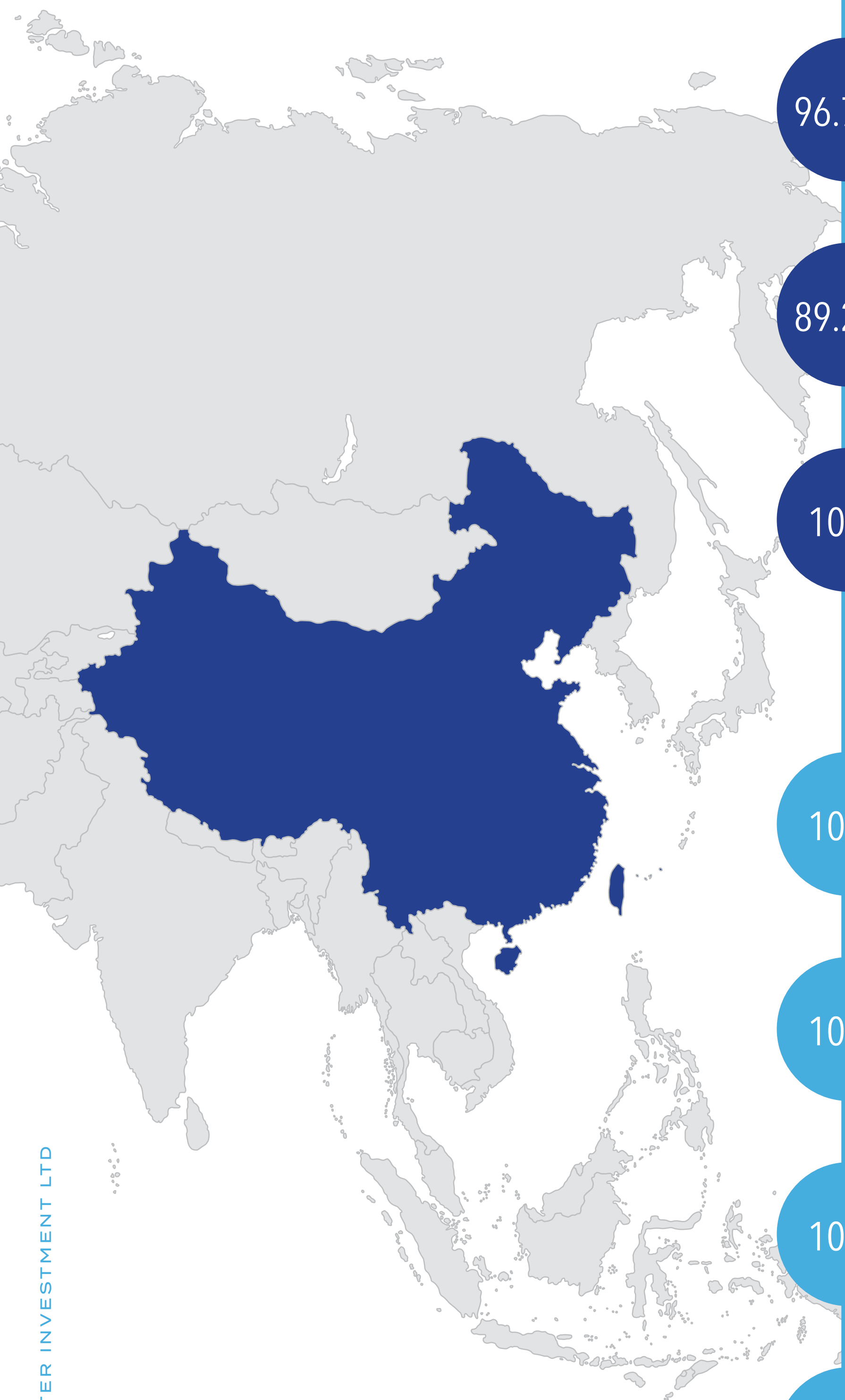
Our Hotel which comprising two 22-storey towers with about 570 tastefully decorated guest rooms, is currently the only flagship Westin hotel in Shanghai.

GOLDEN CENTER, NINGBO

The Golden Center complex with a total gross floor area of 1,936,800 sq. ft is developed by the Group. The whole complex consists of a 6-storey Golden Center retail complex, a 32-storey Ningbo Financial Center office tower - the headquarter of Ningbo People's Bank of China and a 52-storey luxurious residential tower, "Riviere Mansion" - the tallest residential tower in Zhejiang province then. It is strategically located in the central business district area of Ningbo, at the south west side of the junction of Zhongshan East Road and Jiangdong North Road facing the entrance of Jiangxia Bridge in Jiangdong District of Ningbo, which is one of the major bridges connecting Jiangdong District to the centre of Haishu District. This locality, known as Sanjiangkou (three estuaries), is a popular commercial and retail area.

The Group currently owns the Golden Center six-level retail complex with a total gross floor area of 340,600 sq ft.

CORPORATE STRUCTURE



HONG KONG/CHINA

- 96.79% — Shanghai Golden Bund Real Estate Co., Ltd
- 89.21% — Ningbo Zhonghua Land Co., Ltd
- 100% — Koon Chung Limited

OTHERS

- 100% — Casleton International Limited
- 100% — Handful Resources Limited
- 100% — Smart Investment Ltd
- 100% — Primewyn Management & Services Pte Ltd

PROPERTY PORTFOLIO

Name and Location of Mixed Development	Tenure	Site Area (sq ft)	Gross Floor Area (sq ft)	Lettable Rooms/ Net Lettable Area (sq ft)	Valuation
THE BUND CENTER: AN INTEGRATED DEVELOPMENT COMPROMISING:	50-year lease till 2045	189,100	2,050,700		RMB8,885 million [1] (S$1,715 million)
(a) Hotel Located at 88 Henan Road Central, Huangpu District Shanghai 200002, PRC			636,100	570 rooms	RMB2,794 million [1] (S$539 million)
(b) Office Tower Located at 222 Yanan Road East, Huangpu District Shanghai 200002, PRC			1,414,600	872,600	RMB6,091 million [1] (S$1,176 million)
GOLDEN CENTER		66,500	340,600	168,300	RMB781 million [1] (S$150 million)
(a) Golden Center, Ningbo A 6-storey retail complex. Located at 279 Zhongshan Road East, Jiangdong District, Ningbo City 315040, Zhejiang Province, PRC	50-year lease till 2045	65,700	295,400	131,900	
(b) Annex to Golden Center	40-year lease till 2033	800	45,200	36,400	
Grand Total					**RMB9,666 million (S$1,865 million)**

Note:

(1) Valuation as assessed by the independent valuers, Jones Lang LaSalle Corporate Appraisal and Advisory Limited dated 18 February 2019.

BOARD OF DIRECTORS

FROM LEFT TO RIGHT:

Willy Shee Ping Yah @ Shee Ping Yan
Chew Yow Foo
Franky Oesman Widjaja
Frankle (Djafar) Widjaja
Deborah Widjaja
Lim Jun Xiong, Steven
Foo Meng Kee

FRANKLE (DJAFAR) WIDJAJA
Executive Chairman and Chief Executive Officer

Mr. Frankle Widjaja is the Executive Chairman and Chief Executive Officer of Bund Center Investment Ltd ("BCI" or the "Company"). He was appointed as a Director of BCI in September 2009, and his last re-appointment as a Director was in 2018. As Executive Chairman and Chief Executive Officer, Mr. Frankle Widjaja oversees the business, sets the strategies and leads the overall management of the BCI Group. He is also primarily responsible for all aspects of the Group's Hotel, Office Tower and Golden Center, including the ongoing evaluation, investment and improvement of the aforesaid properties. He took charge of the China property business in Shanghai and Ningbo since 1992.

Mr. Frankle Widjaja, aged 63, graduated from the University of California, Berkeley, USA with a degree of Bachelor of Science in 1978.

Mr. Frankle Widjaja has extensive management and operational experience and, since 1979, he has been involved in the management and operations of pulp and paper, financial services, food and agriculture and real estate businesses. From the mid-eighties to the early nineties, Mr. Frankle Widjaja had held various senior positions including that as the Head of Property Development, PT Duta Pertiwi Tbk; President of several factories for pulp and paper and agri-business, and assumed responsibilities for the expansion of the paper business.

Mr. Frankle Widjaja was previously a Director of Sinarmas Land Limited ("SML") and Golden Agri-Resources Ltd ("GAR") until he retired from SML and GAR board of directors in April 2012 and April 2018, respectively, to focus on his current appointments.

Presently, Mr. Frankle Widjaja sits on the boards of several subsidiaries of BCI.

Since 1998, Mr. Frankle Widjaja has been the Director of both the Shanghai Overseas Friendship Association and the Shanghai Overseas Exchange Association. He was the Deputy Chairman of the Shanghai Overseas Chinese Chamber of Commerce. Mr. Frankle Widjaja was awarded the Third Shanghai Charity Star Special Awards in 2008; the Top Ten Overseas Chinese Award in 2007; the Five Star Diamond Award in 2006; the Shanghai Magnolia Honorable Award in 2006; and the Shanghai Magnolia Memorial Award in 2004. He is an honorary citizen of Ningbo City.

Present directorships in other Singapore listed companies: Nil

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2017 – 2019):
- Golden Agri-Resources Ltd

FRANKY OESMAN WIDJAJA

Non-Executive Director

Mr. Franky Widjaja is a Non-Executive Director of BCI and a member of its Nominating and Remuneration Committees. He was appointed as a Director in September 2009, and his last re-appointment as a Director was in 2019.

Mr. Franky Widjaja, aged 62, graduated from Aoyama Gakuin University, Japan with a Bachelor's degree in Commerce in 1979. He has extensive management and operational experience and, since 1982, been involved with different businesses including pulp and paper, property, chemical, telecommunication, financial services and agriculture.

Mr. Franky Widjaja also sits on the board of directors of Golden Agri-Resources Ltd ("GAR") and Sinarmas Land Limited ("SML"), both listed on the Official List of the Singapore Exchange Securities Trading Limited. He has been a Director and the Chief Executive Officer of GAR since 1996; and the Chairman of GAR since 2000. Mr Franky Widjaja has also been a Director of SML since 1997; and the Executive Chairman of SML since 2006.

Mr. Franky Widjaja is a member of the boards of several subsidiaries of BCI, GAR and SML. Since 2003, he has been the President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange.

Currently, Mr. Franky Widjaja is the Co-Chairman of Partnership for Indonesia Sustainable Agriculture ("PISAgro"); the Vice Chairman of the Indonesian Chamber of Commerce and Industry ("KADIN") for Agribusiness, Food and Forestry Sector; and he is a member of the Advisory Board of the Indonesian Palm Oil Association ("GAPKI"); and a member of World Economic Forum ("WEF"): Global Agenda Trustee for World Food Security and Agriculture Sector. Mr. Franky Widjaja was Co-Chair of WEF: Grow Asia until August 2019.

Previously, from 2007 to 2015, Mr. Franky Widjaja was Vice President Commissioner of PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk; and he was also Vice President Commissioner of PT Puradelta Lestari Tbk until his resignation in May 2016, all subsidiaries of SML listed on the Indonesia Stock Exchange.

Present directorships in other Singapore listed companies:

- Golden Agri-Resources Ltd
- Sinarmas Land Limited

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2017 – 2019):
Nil

DEBORAH WIDJAJA

Executive Director and Deputy Chief Executive Officer

Ms. Deborah Widjaja was appointed as an Executive Director of BCI in May 2012, and was promoted as Deputy Chief Executive Officer on 2 March 2015. Her last re-appointment as a Director was in 2019.

Ms. Deborah Widjaja, aged 36, graduated Magna Cum Laude with a Bachelor of Arts degree from the University of Southern California, Los Angeles, USA, in December 2006. Ms. Deborah Widjaja was a USC Renaissance Scholar double majoring in International Relations and Communication with a minor in Cinema-Television. During her undergraduate studies, she was on the Dean's list for six semesters and a member of two National Honors Societies, Alpha Lamda Delta and Lamda Pi Eta, and was awarded two Outstanding Leadership Awards from the International Students' Assembly. After graduating from university, she enrolled in the New York Film Academy in 2007, and had written, directed, and produced four short films.

Ms. Deborah Widjaja is currently an Executive Director and Deputy Chief Executive Officer of Shanghai Golden Bund Real Estate Co., Ltd. ("SGB"), a subsidiary of BCI. Since 2010, she has held senior management positions in SGB. Prior to joining SGB as a Personal Assistant to the Executive Chairman in 2010, Ms. Deborah Widjaja undertook various work experience/ research internship positions at the Singapore Economic Development Board and at The Westin Bund Center Shanghai, where she obtained management trainee experience in the areas of Public Relations, Sales & Marketing, Food & Beverage and Finance, as well as led marketing initiatives to launch the grand opening of the new hotel tower.

Present directorships in other Singapore listed companies: Nil

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2017 - 2019):
Nil

BOARD OF DIRECTORS

CHEW YOW FOO

Executive Director and Chief Financial Officer

Mr. Chew Yow Foo is an Executive Director and the Chief Financial Officer of BCI. He was appointed as a Director in September 2009 and his last re-appointment as a Director was in 2017. Mr. Chew sits on the boards of several subsidiaries of BCI.

Mr. Chew, aged 60, holds a MBA from the University of Durham (Dunelm) and a BSSc (Hons) in Accounting with Economics from the Queens University of Belfast (QUB), UK.

Mr. Chew joined SML group as Chief Internal Auditor for its PRC property business in 2006. In 2007, he was re-designated as Chief Financial Officer for its property business in the PRC and Singapore.

Before he joined SML group, Mr. Chew was a general manager and the head of the property investment division at Sichuan Veritas Investment Consulting (Singapore) Co. Ltd., a company which provides consultation services in property development, from January 2005 to April 2006.

From October 2002 to December 2004, Mr. Chew was an acting president and financial controller at Shanghai Firstreach Real Estate Development Co., Ltd., a real estate development company located in the Putuo district of Shanghai. Between October 1995 and October 2002, Mr. Chew was with Anastoria Sdn Bhd, a company involved in the property development business of residential and commercial projects in Malaysia, where he was a finance manager from October 1995 to July 1997 and a regional manager (in charge of the northern regional office) from August 1997 to October 2002.

Prior to 1995, Mr. Chew was involved in financial and management accounting, corporate finance, treasury management, budget and costing, auditing, taxation and corporate secretarial matters in the manufacturing industry.

Present directorships in other Singapore listed companies: Nil

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2017 - 2019):
Nil

LIM JUN XIONG, STEVEN

Lead Independent Director

Mr. Lim Jun Xiong, Steven is the Lead Independent Director of BCI, Chairman of BCI's Audit Committee, and a member of its Nominating Committee and Remuneration Committee. Mr. Lim has been a Director of the Company since September 2009, and his last re-appointment as a Director was in 2019.

Mr. Lim, aged 64, holds a Bachelor of Commerce majoring in Accounting and Finance from the University of Newcastle, Australia. Mr. Lim is a Fellow member of CPA Australia, the Institute of Singapore Chartered Accountants and a member of the Society of Trusts and Estate Practitioners. Mr. Lim currently provides consultancy advice in the field of global wealth solutions.

Mr. Lim was the Chief Executive Officer of SG Trust (Asia) Ltd, a wholly-owned subsidiary and fiduciary services arm of Societe Generale Private Bank that provides wealth management, estate and succession planning services, until October 2014. Prior to this, he was the Managing Director and subsequently a Senior Consultant at HSBC Private Bank (Suisse) SA Global Wealth Solutions. Mr. Lim started his career at PricewaterhouseCoopers. He was also Non-Executive Chairman and Independent Director of Sapphire Corporation Limited until December 2017.

Presently, Mr. Lim is an Independent Director of Emerging Towns & Cities Singapore Ltd and Mirach Energy Limited, Lead Independent Director of Keong Hong Holdings Limited and Non-Executive and Independent Director of Hong Fok Corporation Limited, all of which are listed on the Official List of the Singapore Exchange Securities Trading Limited. He is also a member of the Finance Committee of Seletar Country Club.

Present directorships in other Singapore listed companies:
- Emerging Towns & Cities Singapore Ltd.
- Hong Fok Corporation Limited
- Keong Hong Holdings Limited
- Mirach Energy Limited

Other principal commitments: Nil

Past directorships in other Singapore listed companies (2017 – 2019):
- Sapphire Corporation Limited

WILLY SHEE PING YAH @ SHEE PING YAN
Independent Director

Mr. Willy Shee Ping Yah @ Shee Ping Yan is an Independent Director of BCI, Chairman of BCI's Nominating Committee and a member of its Audit Committee and Remuneration Committee. He has been a Director of the Company since February 2010, and his last re-appointment as a Director was in 2017. He sits on the board of BCI's subsidiary, Shanghai Golden Bund Real Estate Co., Ltd.

Mr. Shee, aged 71, holds a Diploma in Urban Valuation from the University of Auckland, New Zealand (under the Colombo Plan Scholarship 1968-1970). He is a Fellow Member of the Singapore Institute of Surveyors and Valuers and a Fellow Member of the Association of Property and Facility Managers. Mr Shee is a Licensed Estate Agent in Singapore and a full member of the Singapore Institute of Directors.

Mr Shee is currently Senior Advisor to CBRE Pte Ltd having assumed a non-executive role after stepping down as the Chairman, Asia of CBRE Pte Ltd in July 2016. From 1991 to June 2005, Mr. Shee was the managing director of CB Richard Ellis (Pte) Ltd, Singapore office, and was responsible for its growth and overall operations. He was also Chairman of Ascendas-Singbridge Gives Foundation from January 2012 until he stepped down in 2019.

Other boards which Mr. Shee sits on include Sinarmas Land Limited, Mercatus Co-operative Ltd and Keppel Land Limited. He is also a Committee Member of Singapore Turf Club.

Present directorships in other Singapore listed companies:
- Sinarmas Land Limited

Other principal commitments:
- CBRE Pte Ltd (Senior Advisor)

Past directorships in other Singapore listed companies (2017 – 2019):
Nil

FOO MENG KEE
Independent Director

Mr. Foo Meng Kee is an Independent Director of BCI, Chairman of its Remuneration Committee and a member of its Audit and Nominating Committees. Mr. Foo joined the Board of Directors of BCI in May 2018.

Mr. Foo, aged 70, holds an MBA from the University of Dubuque, USA; Graduate Diploma in Marketing Management from the Singapore Institute of Management; and Bachelor of Commerce (Honours) from the Nanyang University of Singapore.

Currently, Mr. Foo is the principal owner of M K Capital Pte Ltd and M K Marine Pte Ltd. Since 2001, he has held various positions as an independent director of several companies listed on the Official List of the Singapore Exchange Securities Trading Limited. From 1976 to 1998, Mr. Foo was with Hitachi Zosen Singapore Limited (now known as Keppel Shipyard Limited). When he was the Managing Director of Hitachi Zosen Singapore Limited, he led in the listing of the company on the main board of the Singapore Stock Exchange.

Mr. Foo has also previously served on the Committees of the Association of Singapore Marine Industries and the Singapore Armed Forces Reservists' Association.

Present directorships in other Singapore listed companies:
- Golden Agri-Resources Ltd

Other principal commitments:
- M K Capital Pte Ltd (Principal owner)
- M K Marine Pte Ltd (Principal owner)

Past directorships in other Singapore listed companies (2017 – 2019):
- Jiutian Chemical Group Limited
- Lee Metal Group Ltd
- Sinarmas Land Limited

CHAIRMAN'S STATEMENT

"The Group achieved a commendable operating performance with a total profit of S$28.4 million. The Group recorded a revenue of S$110.3 million with an EBITDA of S$63.3 million for FY2019"

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the annual report of Bund Center Investment Ltd ("BCI" or the "Company" and together with its subsidiaries the "Group") for the financial year ended 31 December 2019 ("FY2019").

GROUP PERFORMANCE

Despite the challenging business environment, the Group achieved a commendable operating performance with a total profit of S$28.4 million. The Group recorded a revenue of S$110.3 million with an EBITDA of S$63.3 million for FY2019.

The Bund Center, which consists of Office Tower and the Westin Bund Center Shanghai hotel, remains the main contributor to the Group's operating results.

The operating environment for leasing segment continues to be competitive in view of the increased supply in office and lower leasing income from retail spaces in FY2019. Nonetheless, the Group managed to maintain a high average annual occupancy for the Bund Center Office Tower at 86.5%. Leasing income decreased marginally to S$53.7 million (RMB272 million).

Hotel revenue decreased by 9.7% to S$56.6 million (RMB286.7 million) in the current year mainly due to lower revenue from its food and beverages operations and lower revenue contribution from meetings, incentives, conventions and exhibitions (MICE) activities.

The hotel operations managed to maintain a high average occupancy rate and average room rate of 79.2% and RMB1,167 respectively in FY2019 which is higher than the five-star hotel average in Shanghai.

As at 31 December 2019, the Group reduced its total liabilities from S$48.1 million to S$41.4 million, which was mainly due to lower income tax payable and other payables following payment made during the current year.

Cash and cash equivalents were higher at S$159.5 million as compared to S$141.7 million in the previous financial year mainly due to positive cash generated from operating activities of S$43.0 million, net of cash used for capital expenditure of S$3.7 million and payment of total dividends of S$17.8 million during the financial year.

The stable cash inflows allow the Group to maintain a strong financial position and a high level of financial flexibility to seize opportunities when available.

OUTLOOK

The outlook for our operating environment in China remains very challenging in view of the recent COVID-19 outbreak which has created a degree of uncertainty and is expected to have a material impact on the business sentiments and our operating environment.

We will remain cautiously optimistic and will continue to adopt flexible marketing strategies to improve rental yield and cost efficiency to enhance the Group's business operation in office leasing, hotel and retail in China.

SUSTAINABILITY

Since the beginning of BCI's sustainability efforts, we have improved our business practices to reduce our impact on the environment and deliver greater social benefit. Sustainability is anchored to each of our strategic pillars and corporate citizenship is deeply rooted in BCI's sustainability management strategy. Among our foundational tenets is United Nations Global Compact, and its principles regarding human rights, labor, environment and anticorruption, which are core to our business strategy, culture and day-to-day operations. BCI's contributions to the United Nations Sustainable Development Goals is also detailed in our Sustainability Report which will be published later in the year.

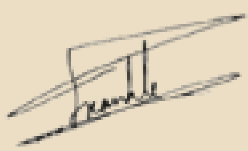
In response to the current Covid-19 outbreak, the Group has proactively provided crucial donations as well as other supports to help those impacted, especially the front line healthcare workers who are working tirelessly around the clock to carry out their rescue mission in China, ensuring that they have adequate protection in terms of medical protective supplies, consumable and disposable medical devices, pharmaceuticals, disinfection supplies and cleaning supplies to Shanghai and other cities affected, including our employees, hotel guests and office tenants.

APPRECIATION

To reward our shareholders, the Directors have proposed a first and final cash dividend of 1 Singapore cent per ordinary share, subject to shareholders' approval at the forthcoming Annual General Meeting and expected to be paid in May 2020.

This equates to a dividend yield of around 1.8% based on the closing share price on the date of the final dividend announcement.

I wish to thank our shareholders, business associates, customers and community for the continued support, and express my appreciation to my fellow Board members, management and staff for their dedication and contribution toward the Group's sustainable growth.



FRANKLE (DJAFAR) WIDJAJA
Executive Chairman

12 March 2020

OPERATIONS REVIEW

In spite of increasing office supply, Bund Center Office Tower has successfully achieved its leasing rate at 86.5%, resulting from sustained demand from multinational and domestic companies for office space.

OFFICE

BUND CENTER OFFICE TOWER

The Bund Center Office Tower has continued to enjoy its prominent position as a city landmark and one of the best super grade A office buildings in Shanghai since 2002. With its location in the historically famous bund area ("the Bund") or major central business district ("CBD") in Puxi and offering the conveniences of the five-star Westin Bund Center Shanghai hotel, Bund Center Office Tower has always been recognised as one of the most prestigious office buildings serving world renowned multinational corporations.

In 2019, 14 renewal deals and 12 new deals were transacted; Rui Yin, Herbert Smith, United Law Firm and Bird & Bird were among those leading tenants being successfully retained in Bund Center. With its magnificent crown rooftop, the building is also one of the tallest structures in the Bund skyline, offering international standard high-quality office space. The property management of the building is performed by Colliers International and the major tenants of the building include multinational companies such as Deloitte Touche Tohmatsu, CMA, Hilton, Rui Yin, Mitsubishi, Jin Mao Law Firm, Herbert Smith, Pillsbury, Norwegian Consulate and South African Consulate.

OPERATIONS REVIEW

In spite of increasing office supply, Bund Center Office Tower has successfully achieved its leasing rate at 86.5%, resulting from sustained demand from multinational and domestic companies for office space.

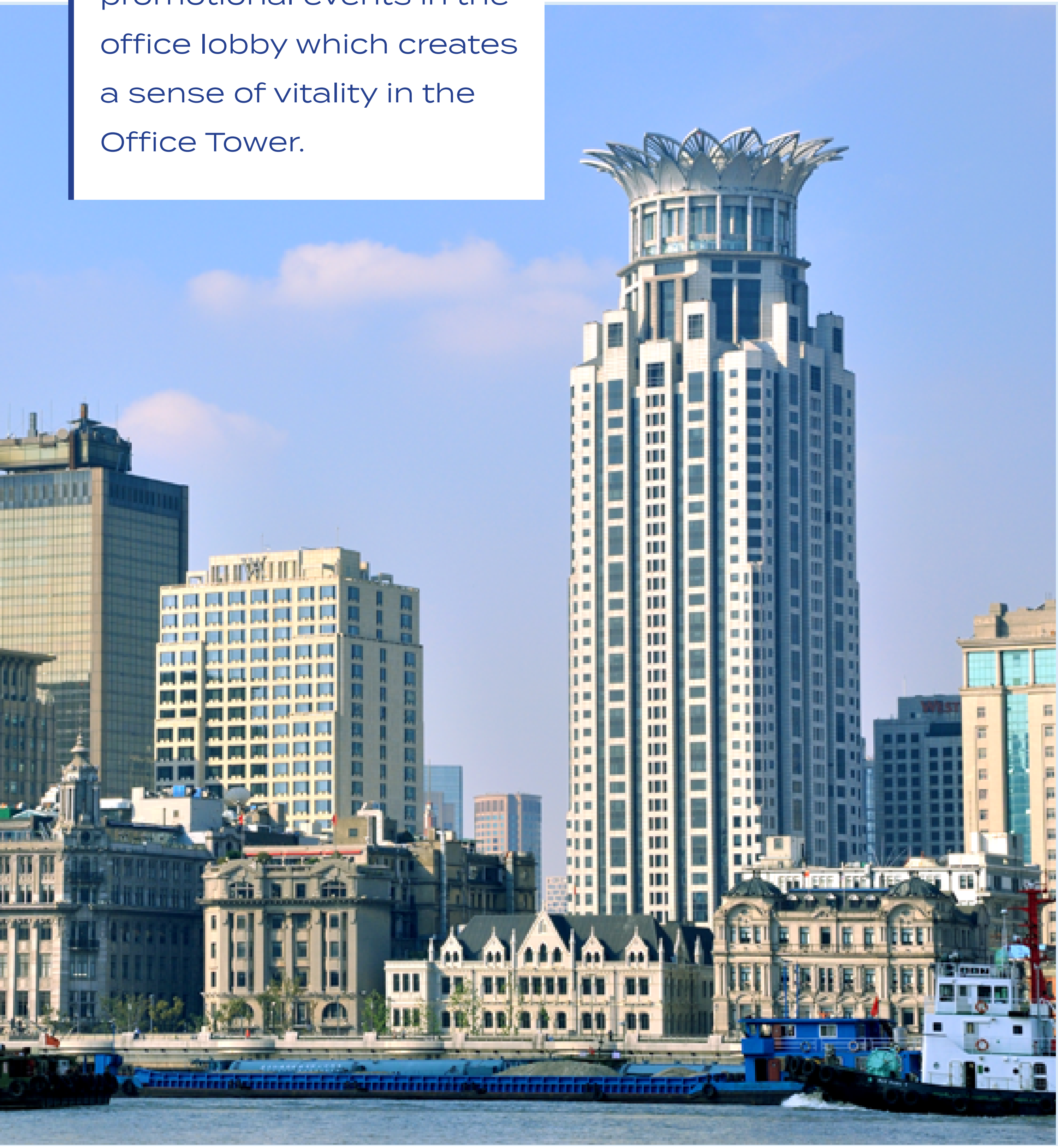
Services improvement and facility renewal and improvement remain as two of the most important objectives of the building operations and management.

On the services aspect, the property management continues to make progress by providing personalised service to our tenants promptly and by listening attentively to our tenants. At the same time, we have performed several facility renewal and improvement projects which upgrade the mechanical and electrical equipment of this building to keep us in good shape. We are also in the process of renovating our common corridors and washrooms which enhance the experience of workplace environment.

We have also increased substantially the number of marketing and promotional events in the office lobby which creates a sense of vitality in the Office Tower.

The staff cafeteria and Japanese cuisine in the basement have also continued to support and uplift the corporate image of Bund Center, offering tenants a wide variety of affordable and convenient food options. All these upgrades have enriched the quality of our services and facilities provided, as well as given us a distinctive advantage over our competitors, hence boosting our presence and visibility amidst an increasing supply of office space in the corporate real estate leasing market.

We have also increased substantially the number of marketing and promotional events in the office lobby which creates a sense of vitality in the Office Tower.



OPERATIONS REVIEW

HOTEL

THE WESTIN BUND CENTER SHANGHAI

Since opening in 2002, The Westin Bund Center Shanghai continues to be recognised with many accolades, established itself as a world class hotel offering premium services. The hotel is a prominent landmark near the Bund. It has 570 tastefully decorated guestrooms including 25 suites ranging from 60 m² to 249 m².

The hotel established success with providing high quality lodging, food & beverage offering and tailor-made catering services for city events and multinational companies in the Shanghai International 5 star environment. In addition, the hotel continues to partner and stage a number of high profile events in 2019, including the Shanghai International Film Festival opening red carpet event (10th consecutive year), appointed official hotel for The Shanghai City Marathon. The hotel continues to receive numerous awards for food and service including the hotels award winning Best Sunday Brunch, as listed in CNN Travel's '50 reasons why Shanghai is the world's greatest city', plus accolade acknowledgment by the prestigious recommended as "The MICHELIN PLATE" by The MICHELIN GUIDE Shanghai 2020 for Prego Italian Restaurant.

The Westin Bund Center Shanghai is a flagship hotel and one of the most recognised and popular buildings on the Shanghai skyline.

The hotel continues to receive many international hotel awards including being voted

- **"The Most Popular TikTok Video"** by The Highlights Awards
- **"iDEAL Wedding Service Hotel (Shanghai)"** by Shanghai Daily
- **"Best Green Initiative Hotel"** by The Best BANG! Awards 2019
- **"The Best Banquet Hotel of the Year"** by 2019 China Travel & Meetings Awards by MC China
- Prego Italian Restaurant recommended as **"The Michelin PLATE"** by The Michelin Guide Shanghai 2019 + 2020
- The Prego list in Top100 Restaurant by Global Cuisines Restaurant Award 2019
- **"Landmark Hotel of the Year"** by That's 2019 Hospitality Awards
- **"Best Hotel Brunch of the Year"** by Timeout Hospitality Awards 2019
- The Stage list in "Ctrip Gourmet List" by Ctrip
- **"The Best MICE Hotel"** by Airtime 2018-2019 Selected High-Class Hotels Awards
- **"Best Business Hotel in Shanghai"** by the consecutive 5 year from 2019 TTG China Travel Awards
- **"iDEAL MICE Hotel (Shanghai)"** by Shanghai Daily

The hotel operations managed to maintain a high average occupancy rate and average room rate of 79.2% and average daily rate of RMB1,167 respectively in FY2019

These recognitions further reinforce the hotel's reputation for offering guests the highest levels of service complemented by a contemporary design and upgrade of new TV in Crown Tower guestroom, new door lock system with Keyless check in function, Winnow Food Wastage system, robot guestroom delivery and replacement of new carpet at all guestrooms of the Grand Tower.

Despite increasing competition from new hotels in Shanghai, the hotel operations managed to maintain a high average occupancy rate and average room rate of 79.2% and average daily rate of RMB1,167 respectively in FY2019 which is higher than the average five-star hotel in Shanghai of 71.4% and average daily rate of RMB823.

The hotel continued to maintain commendable guest satisfaction increase year over year by 5 points and an employee engagement index scores achievement of 91%, representing an increase of 1% higher than 2018 according to professional independent surveys engaged by Marriot International Hotels.

OPERATIONS REVIEW

RETAIL

GOLDEN CENTER, NINGBO

Given the highly competitive business environment in which the Golden Center operates, the large scale malls in mid-high/ high market and the emergence of increasingly popular trend of on-line shopping, the challenges that Golden Center faces are incredibly high and the business strategy of Golden Center is to sustain its product lines and retain selective reputable tenants with good business track records such as Starbucks and McDonald while identifying a good strategic partner to attract new tenants to optimise the shareholders' value.

Moving forward, the retail business environment in Ningbo will continue to be much tougher, even more difficult and volatile as well as full of challenges to all the retail operators in Ningbo amid brick-and-mortar retailers and restaurants are dealing with the harsh realities of cities across China being placed under lockdown, as local governments enforce quarantine measures and restrict trips outdoors. Major retailers like Starbucks, Uniqlo, Nike and Apple had temporarily shuttered their stores, while small and medium-size retailers are being hit particularly hard as foot traffic dwindles.

OUTLOOK FOR 2020

The recent COVID-19 outbreak has created a degree of uncertainty and is expected to have a material impact on the business sentiments and our operating environment.

In response to the situation relating to preventive measures to stop the wide spread of the COVID-19 virus in the People's Republic of China ("PRC"), the Group had implemented a temporary closure of the Golden Center in Ningbo since the Chinese New Year holidays until to-date in compliance with the mandatory directives issued by the local authorities in PRC. Temporary freezing on room reservations and F&B operations of The Westin Bund Center Shanghai was implemented with effect from mid-February 2020. These imperative measures including Bund Center Office Tower are in compliance with the advice of the Chinese local authorities to help prevent the spread of the COVID-19 virus for the health and safety of all employees, tenants, guests and visitors.

The Group will continue to monitor closely any updates and advisories from the local Chinese authorities, which include close communication with such authorities to stay abreast with the latest progressive developments. The re-opening of the above will be announced at the appropriate time in due course.

Meanwhile, the Group has instituted a series of precautionary health and hygiene measures, including the stepping up cleaning and disinfection of facilities and necessary temperature screening test of its employees.

As the situation relating to the spread and containment of COVID-19 virus remains uncertain and fluid, the Group will continue to monitor the impact the crisis may have on its business operating performance.

CORPORATE DIRECTORY

Board of Directors
Frankle (Djafar) Widjaja
(Executive Chairman and Chief Executive Officer)
Franky Oesman Widjaja
(Non-Executive Director)
Deborah Widjaja
(Executive Director and Deputy Chief Executive Officer)
Chew Yow Foo
(Executive Director and Chief Financial Officer)
Lim Jun Xiong, Steven
(Lead Independent Director)
Willy Shee Ping Yah @ Shee Ping Yan
(Independent Director)
Foo Meng Kee
(Independent Director)

Audit Committee
Lim Jun Xiong, Steven *(Chairman)*
Willy Shee Ping Yah @ Shee Ping Yan
Foo Meng Kee

Nominating Committee
Willy Shee Ping Yah @ Shee Ping Yan *(Chairman)*
Lim Jun Xiong, Steven
Foo Meng Kee
Franky Oesman Widjaja

Remuneration Committee
Foo Meng Kee *(Chairman)*
Lim Jun Xiong, Steven
Willy Shee Ping Yah @ Shee Ping Yan
Franky Oesman Widjaja

Company Secretary
Lye Chor Mei ACS, ACIS

Assistant Company Secretary
Conyers Corporate Services (Bermuda) Limited

Registered Office
Clarendon House, 2 Church Street,
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Bermuda Share Registrar
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Singapore Share Transfer Office And Share Transfer Agent
B.A.C.S. Private Limited
8 Robinson Road, #03-00 ASO Building, Singapore 048544
Tel: (65) 6593 4848
Fax: (65) 6593 4847

Auditors
Moore Stephens LLP
Public Accountants and Chartered Accountants
10 Anson Road, #29-15 International Plaza, Singapore 079903
Tel: (65) 6221 3771
Fax: (65) 6221 3815
Partner-in-charge: Lao Mei Leng
(Appointed since the financial year ended 31 December 2017)

Principal Banker
Agricultural Bank of China *(Shanghai Branch)*

Date And Country Of Incorporation
5 August 2009, Bermuda

Share Listing
The Company's shares are listed on the Singapore Exchange Securities Trading Limited

Date Of Listing
30 June 2010

CORPORATE GOVERNANCE REPORT

Bund Center Investment Ltd (the "Company" or "BCI" and together with its subsidiaries, the "Group") is committed to observing high standards of corporate governance, to promote corporate transparency and to enhance shareholder value.

The Monetary Authority of Singapore issued a revised Code of Corporate Governance on 6 August 2018 effective for financial years beginning on or after 1 January 2019 (the "Code").

Rule 710 of the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST") requires an issuer to describe its corporate governance practices with specific reference to the principles and provisions of the Code. Issuers must comply with the principles of the Code. Where practices vary, adequate reasons should be given and how adopted practices are consistent with the intent of the principle.

This report describes the Company's corporate governance practices and structures in place during the financial year ended 31 December 2019 ("FY2019"), which are substantially in compliance, with explanations given for deviations from practices of the Code.

For easy reference, the principles of the Code are set out in italics in this report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

1.1 The Board's Role

The Board of Directors of the Company ("Board") heads the Company to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders.

The Board has the responsibility to fulfil its role which includes the following:

(a) provide entrepreneurial leadership, and set strategic objectives, which include appropriate focus on value creation, innovation and sustainability;

(b) ensure that the necessary resources are in place for the Company to meet its strategic objectives;

(c) establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and Company performance;

(d) constructively challenge Management and review its performance;

(e) instill an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture; and

(f) ensure transparency and accountability to key stakeholder groups.

1.2 Scope of Director Duties, Code of Conduct, and Policy on Directors' Conflict of Interest

All Directors of the Company ("Directors") are expected to be cognizant of their statutory duties, and to discharge them objectively, in the interest of the Company.

Directors are regarded as Executive, Non-executive and Independent according to their differing roles, although all Directors have the same statutory duties. In FY2019, all Directors were reminded, and took note, of the different roles they have.

Directors are required to refrain from discussion and decision-making, and to abstain from voting on any agenda item in which they have conflict of interest. To assist Directors, the Board has adopted a comprehensive Policy on Directors' Conflict of Interest setting out guiding principles for Directors when faced with an actual or potential conflict of interest situation.

1.3 Training and Development of Directors

The Company takes note to provide Directors with opportunities to develop and maintain their skills and knowledge at the Company's expense. In this regard, the Board has approved a framework for Directors' training where the Company facilitates with Director's training arrangements. An annual budget exists to fund any Director's participation / attendance at seminars and training programmes that are relevant to his duties as a Director.

The Director's training framework / programme applied a 3-step approach to training as follows:

(1) Externally conducted courses on audit / financial reporting matters, audit committee's role, corporate governance / regulatory changes and other relevant topics subject to course availability;

(2) Quarterly management updates on operations and industry-specific trends and development; and

(3) Quarterly continuing education on regulatory changes and updates, including extraction of case studies on corporate governance, and external auditors' briefings on changes to accounting standards and issues.

Having attended external courses / seminars, Directors are requested, in turn, to share their key takeaways with fellow Directors at the next Board meeting.

1.4 Training and Orientation for New Directors

As a standard procedure, newly appointed Directors will be provided with a formal appointment letter setting out the terms of appointment, general duties and obligations of a Director pursuant to the relevant legislations and regulations. They will also be given the relevant governing documents of the Company, meeting schedule and contact particulars of senior Management. From FY2019, those without prior experience as a director of a Singapore listed company, are required to attend SGX-ST prescribed training on the roles and responsibilities as a director of a listed company in Singapore.

Non-executive Directors who are newly appointed may not be familiar with the Group's business. Upon recommendation, they may be provided with orientation through overseas trips to familiarise them with the Group's operations, including briefing(s) by Management on the Group's business as well as governance practices.

1.5 FY2019 External Training for Directors

External courses/seminars attended by certain Director(s) in 2019 include the following:

(1) Audit Committee Seminar 2019: The Audit Committee in the New Normal (January 2019)

(2) ISCA Financial Forensic and Cybersecurity Conference (July 2019)

(3) Singapore Governance and Transparency Forum (August 2019)

(4) SIAS-Global Corporate Governance Conference – Technology – The New Face of Governance? (September 2019)

1.6 Matters Requiring Board Approval

Matters specifically requiring the Board's approval are set out in the Company's Internal Guidelines, which include the following corporate events and actions:

- approval of results announcements
- approval of annual report and financial statements
- dividend declaration/proposal
- convening of shareholders' meetings
- shares issuance
- material acquisitions and disposals of assets
- annual budgets
- interested person transactions
- corporate governance

1.7 Committees Established by the Board

Committees established by the Board ("Board Committees") comprise the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") with written terms of reference which clearly set out the authority and duties of each committee.

While the Board Committees have been delegated power to make decisions within the authority delegated to the respective committees, the ultimate responsibility for the decisions and actions rests with the Board as a whole.

Pages 24 to 43 of this report sets out further information on these Board Committees.

CORPORATE GOVERNANCE REPORT

1.8 Composition of the Board and Board Committees

At present, a total of 7 Directors sit on the Board. Their position(s) in the Company, membership (if any) on the Board Committees and directorship role are shown below:

Name	Position(s)	Executive/Independent Director
Frankle (Djafar) Widjaja	Executive Chairman and CEO	Executive Director
Franky Oesman Widjaja	Member of NC and RC	Non-executive, Non-independent Director
Deborah Widjaja	Deputy CEO	Executive Director
Chew Yow Foo	CFO	Executive Director
Lim Jun Xiong, Steven	Lead Independent Director Chairman of AC Member of RC and NC	Non-executive, Independent Director
Willy Shee Ping Yah @ Shee Ping Yan	Chairman of NC Member of AC and RC	Non-executive, Independent Director
Foo Meng Kee	Chairman of RC Member of AC and NC	Non-executive, Independent Director

Please refer to pages 6 to 9 of this Annual Report for key information, including qualifications, on the Directors.

Abbreviation:
CEO: Chief Executive Officer
CFO: Chief Financial Officer

1.9 Key Features of Board Processes

The Board and the respective Board Committees meet regularly on scheduled dates throughout the year to consider pre-set agenda items. To assist Directors in planning their attendance, Meeting dates together with agenda items for each new calendar year are notified to all Directors, before the start of that calendar year.

In addition to regularly scheduled meetings, ad-hoc meetings may be convened for specific purpose, if requested or if warranted by circumstances deemed appropriate by the Board. Participation by Directors at Meetings by teleconference or similar communication equipment is permitted under the Company's Bye-laws ("Bye-laws").

In between regularly scheduled meetings, matters that require the Board and/or Board Committees' approval are circulated to all Directors and/or respective Board Committee members, as the case may be, for their consideration by way of circular resolutions, as provided in the Bye-laws and the terms of reference of the respective Board Committees.

1.10 Number of Meetings Held in 2019 and Attendance Record

In 2019, the Board met 4 times, with the year-end meeting focusing on annual budget and strategic issues; the Board Committees met a total of 9 times; and 1 shareholders' meeting being the annual general meeting ("AGM") was held. The number of Board and Board Committee Meetings held and the attendance of Directors and Board Committee Members respectively, is disclosed below:

	Number of Meetings Attended by Members					
Name	**Board Meetings**	**AC Meetings**	**NC Meetings**	**RC Meetings**	**AGM**	**Total Attendance at Meetings**
EXECUTIVE DIRECTORS						
Frankle (Djafar) Widjaja	3/4	–	–	–	1/1	4/5
Deborah Widjaja	4/4	–	–	–	1/1	5/5
Chew Yow Foo	4/4	–	–	–	1/1	5/5
NON-EXECUTIVE NON-INDEPENDENT DIRECTOR						
Franky Oesman Widjaja	4/4	–	1/2	1/2	1/1	7/9
NON-EXECUTIVE INDEPENDENT DIRECTORS						
Lim Jun Xiong, Steven	4/4	5/5	2/2	2/2	1/1	14/14
Willy Shee Ping Yah @ Shee Ping Yan	4/4	5/5	2/2	2/2	1/1	14/14
Foo Meng Kee	4/4	5/5	2/2	2/2	1/1	14/14
Number of Meetings Held	**4**	**5**	**2**	**2**	**1**	**14**

CORPORATE GOVERNANCE REPORT

1.11 Complete, Adequate and Timely Information

To enable Directors to make informed decisions and discharge their duties and responsibilities, Management recognises its role to provide the Board with complete, adequate and timely information prior to Meetings and on an on-going basis.

It is a standard procedure that Directors review the Meeting Papers prior to a Meeting. Papers for each Board, Board Committee and Shareholders Meeting are uploaded to a digital Board portal before a Meeting, for Directors to access from their tablets.

Management, the Company's auditors and other professionals who can provide additional insights into the matters to be discussed at Board and Board Committee Meetings are invited to be present at these meetings, where necessary.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis. Explanations are given by Management for material variance (if any) between any projections in the budget and actual results.

Separate and independent access to the Company's Management is available to all Non-executive Independent Directors if they have queries in addition to that provided.

1.12 Company Secretary

The Directors may separately and independently contact the company secretary who attends and prepares minutes for all Board meetings. The company secretary's role is defined which includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with.

The appointment and the removal of the company secretary are matters requiring Board approval.

1.13 External Advice

Where Directors, either individually or as a group, in furtherance of their duties, require external advice, the company secretary can assist them to do so, at the Company's expense.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance
The Board has an appropriate level of independence and diversity of thought and background on its composition to make decisions in the best interests of the company.

2.1 Director Independence

Director independence is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures discussion and review of key issues and strategies in a critical yet constructive manner. Given the Group's current size and operations, the Board is of the view that it is not necessary or cost-effective for the time being to have Independent Directors make up a majority of the Board as already more than one-third of the Board comprise Independent Directors (3 out of 7) as reflected under item 1.8 above.

When determining a Director's independence, the NC and Board considers the following circumstances:

(1) Listing Manual;

(2) The Code; and

(3) Any other circumstance or relationship which might impact a Director's independence, or the perception of his independence.

The 3 Independent Directors have nil relationship with the Company, its related corporations, its substantial shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Group, and they are able to exercise objective judgement on corporate affairs independently from Management and its substantial shareholders.

Each year, the Board examines its size, composition, skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience and knowledge. The Board comprises Directors from different industries and background, with business and management experience, knowledge and expertise who, collectively as a group provides the core competencies for the leadership of the Company. The Company has no alternate Directors on its Board.

Taking into account the scope and nature of operations of the Group, the Board considers that the current composition mix and size is appropriate to facilitate effective decision making at meetings of the Board and Board Committees.

2.2 Non-executive Directors

A key duty of the Board is to set objectives and goals for Management, monitor the results, and assess and remunerate Management on its performance. Executive Directors who are part of Management may face conflicts of interest in these areas. To avoid undue influence of Management over the Board and ensure that appropriate checks and balances are in place, Non-executive Directors comprise more than half of the Board (4 out of 7).

If deemed necessary by the Lead Independent Director, the Non-executive Independent Directors are invited to hold discussions amongst themselves without the presence of other Executive Directors and Management.

2.3 Lead Independent Director ("LID")

The AC Chairman acts as a LID. A LID has the following additional role:

(1) LID is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate;

(2) Plays an additional facilitative role within the Board;

(3) Where necessary, he may also facilitate communication between the Board and shareholders or other stakeholders of the Company; and

(4) Providing a channel to Non-executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary.

The LID may be contacted through office phone number: +65 6590 0805.

2.4 Board Diversity Policy

In support of the principles of good corporate governance, the Board has adopted a Board Diversity Policy relating to Directors appointment and Board composition. By practicing diversity at Board level, the Directors believe that such differences may, collectively, enhance the attainment of corporate strategic objectives and to reach greater heights of achievement. However, it is noted that differences should be appropriately balanced so that the Board can function as a whole, and effectively within its leadership role in the Company. All Board appointments are based on merit of candidates.

During FY2019, the NC reviewed a matrix of the composition and skills of the existing Board, and considered whether to improve diversity in certain areas.

CORPORATE GOVERNANCE REPORT

Principle 3: Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

3.1 Chairman and CEO

Our Chairman and CEO is Mr. Frankle (Djafar) Widjaja. We believe that the Independent Directors have demonstrated a high commitment in their roles as Directors and have ensured that there is a good balance of power and authority.

The overall role of the Chairman is to lead and ensure the effectiveness of the Board. This includes:

(a) promoting a culture of openness and debate at the Board;

(b) facilitating the effective contribution of all Directors; and

(c) promoting high standards of corporate governance.

3.2 To address the issue of the Chairman and CEO positions being held by the same person, the LID position and role were created, as set out in item 2.3 above, where, in addition to holding the position of AC Chairman, he also is a member of the RC and NC. Further, all Board Committees are chaired by a Non-executive Independent Director.

Principle 4: Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

4.1 Nominating Committee Composition and Role

The NC comprises the following 4 Directors, a majority of whom, including the NC Chairman, are Non-executive Independent Directors:

Willy Shee Ping Yah @ Shee Ping Yan (NC Chairman)
Lim Jun Xiong, Steven
Foo Meng Kee
Franky Oesman Widjaja

The NC's role and responsibilities are described in its terms of reference. The NC is primarily responsible for:

(a) reviewing and recommending the nomination or re-nomination of the Directors, having regard to each Director's contribution and performance;

(b) determining annually whether or not a Director is independent;

(c) deciding whether or not a Director is able to and has been adequately carrying out his / her duties as a Director;

(d) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his / her duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards;

(e) making recommendations to the Board regarding training and professional development programmes for the Board; and

(f) reviewing and approving any new employment of related persons and the proposed terms of their employment.

4.2 Selection, Appointment and Re-appointment of Directors

All new Board appointments are considered, reviewed and recommended by the NC first, before being brought up to the Board for approval. Potential candidates to fill casual vacancies are sourced with recommendations from Directors, Management or external consultants. Upon the NC's recommendation, the Board approves the new appointment.

When evaluating a shortlisted candidate's suitability for appointment, the NC will carry out interview(s) with the candidate to consider, inter alia, the candidate's competencies, commitment, independence, ability and potential to contribute to the Board's effectiveness.

The NC may refer to a comprehensive checklist to assist it to ensure that basic standard criteria as well as the Board Diversity Policy are considered during this process of appointment or re-appointment.

4.3 Director Independence Review

The Board has adopted the definition of "independence" in the Code in its review.

An "independent" Director is one who is independent in conduct, character and judgement, and has no relationship (whether familial, business, financial, employment, or otherwise) with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

In addition, consideration is given to the 2012 Code of Corporate Governance which requires that the independence of any Director who has served on the Board beyond 9 years from the date of first appointment, be subject to particularly rigorous review ("Rigorous Review").

Further, the Listing Manual sets out specific circumstances in which a director is deemed non-independent, including, effective on 1 January 2022, the requirement for directors wishing to remain as independent after serving more than 9 years, to seek 2-tier voting by shareholders.

Bearing in mind the above, the NC determines on an annual basis and, as and when the circumstances require, the independence of an Independent Director. To facilitate NC review, each Independent Director is required to complete a self-declaration checklist at the time of appointment, and annually, based on the above independence criteria.

Having conducted its review, including Rigorous Review, the NC / Board has considered that the following 3 Directors are regarded as Independent Directors of the Company:

Lim Jun Xiong, Steven*
Willy Shee Ping Yah @ Shee Ping Yan*
Foo Meng Kee

Each Independent Director duly abstained from the NC / Board's determination of his independence.

* Please see item 4.4 below on Rigorous Review.

4.4 Rigorous Review

The Board recognises that over time, an Independent Director may develop a better understanding of, and obtain greater insights into, the Group's business, operations and culture. And despite having served an increasing number of years, or beyond 9 years, as an Independent Director, he can still continue in his role to provide significant and valuable contribution to the Board as a whole, and as an independent and objective check on Management. Where there are such Directors serving as an Independent Director beyond 9 years, the NC and the Board will do a Rigorous Review of their continuing contribution and, particularly, their independence.

Both Mr. Lim Jun Xiong, Steven and Mr. Willy Shee Ping Yah @ Shee Ping Yan ("2IDs") have served as a Non-executive Independent Director beyond 9 years, and are therefore subject to the Rigorous Review.

During the NC and Board's Rigorous Review they looked at, amongst others, the 2IDs participation at Meetings; interaction with and questions posed to Management. It was noted that each of the 2IDs had diligently carried out their roles and discharged their duties in a professional and objective manner, and ensuring the exercise of independent judgement in their views on sensitive matters.

Additionally, the Rigorous Review procedure required each of the 2IDs to provide reason(s) why they should be considered independent despite having served beyond 9 years. They also confirmed not having any relationship that could interfere with their exercise of independent judgement in the best interest of the Company.

After taking into account these factors, the NC's views and having weighed the need for Board refreshment against tenure, the Board has considered and determined that each of the 2IDs be regarded as Independent Directors of the Company, notwithstanding having served beyond 9 years.

4.5 Retirement and Re-appointment at 2020 AGM

Pursuant to Rule 720(5) of the Listing Manual ("R720"), all Directors must submit themselves for re-election at least once every 3 years.

The Directors seeking for re-appointment at the coming 2020 AGM under R720 are Mr. Willy Shee Ping Yah @ Shee Ping Yan and Mr. Chew Yow Foo who, being eligible, has each offered himself for re-appointment at the 2020 AGM.

The NC has recommended each of the above Directors' re-appointment as a Director at the 2020 AGM.

In its deliberation on the re-appointment of retiring Directors who, being eligible, have offered themselves for re-appointment, the NC takes into consideration the Director's attendance, participation, contribution, commitment and performance during the previous year, as well as his independence (for independent Directors).

The member of the NC has abstained from participating in deliberations and voting on any resolutions in respect of his re-appointment as Director.

4.6 Directors' Time Commitments and Multiple Directorships

The Board believes that each Director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to personally determine the demands of his or her competing directorships and obligations, and ensure that he/she can allocate sufficient time and attention to the affairs of each company. The Board is of the view that setting a numerical limit on the number of listed company directorships a Director may hold is arbitrary, given that time requirements for each person vary, and therefore prefers not to be prescriptive, currently.

Annually, the NC assesses and reviews each Director's attendance record and his/her ability to allocate sufficient time and attention to the affairs of the Company. The NC is satisfied with the time commitment and effort made by each Director to attend meetings in 2019. Directors with multiple board representation made sure to allocate time to attend to the Company's affairs.

Currently, the maximum number of directorships in Singapore listed companies, including the Company, held by a Non-executive Independent Director is 5, that held by a Non-executive Non-independent Director is 3, and that held by an Executive Director is 1.

Principle 5: Board Performance
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

5.1 Board Evaluation Process

The NC is tasked to carry out the processes as implemented by the Board for assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board, on an annual basis.

The Company has in place a system to assess the effectiveness / performance of the Board and acts, where appropriate, on feedback from Board members, on improvements.

During the annual evaluation process, each Director is required to complete the respective forms for self- assessment as well as for assessment of the performance of the Board, based on pre-determined approved performance criteria.

The NC will review for any added assessments of Board Committees, and make appropriate, recommendation(s) to the Board.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

6.1 Remuneration Committee Composition and Role

The RC comprises 4 Directors, a majority of whom, including the RC Chairman, are Independent Directors. All members of the RC, as follows, are Non-executive Directors:

Foo Meng Kee	(RC Chairman)
Willy Shee Ping Yah @ Shee Ping Yan	
Lim Jun Xiong, Steven	
Franky Oesman Widjaja	

The RC's roles and responsibilities are described in its terms of reference. The duties of the RC include reviewing and recommending to the Board for approval, the following:

(a) a general framework of remuneration for the Board and key management personnel;

(b) the specific remuneration packages for each Director and key management personnel; and

(c) the Company's obligations arising in the event of termination of Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external remuneration consultants as and when it deems necessary.

None of the members of the RC is involved in deliberations in respect of any remuneration, fee, compensation, incentives or any form of benefits to be granted to him.

6.2 Long-Term Incentive Schemes

Currently, the Company does not have long-term incentive schemes, including share schemes.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

7.1 Remuneration of Executive Directors and Key Management Personnel

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The remuneration structure for Executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits. Executive Directors do not receive Directors' fees.

The level of remuneration is determined by various factors including performance of the Group, industry practices and the individual's performance and contributions towards achievement of corporate objectives and targets.

Variable payments are made based on the extent of the individual's achievement of performance conditions for the year under review.

The use and application of clawback provisions in remuneration contracts of Executive Directors and key management personnel is subject to further consideration by the Company.

7.2 Remuneration of Non-Executive Directors

7.2.1 Non-Executive Independent Directors

Non-executive Independent Directors receive Directors' fees, which are subject to shareholders' approval at AGMs ("Directors' Fees").

Directors' Fees are structured according to the roles performed by the Non-executive Independent Director, basing the payment on a scale of fees comprising a base fee, and fee as AC Chairman, AC member, RC Chairman, RC member, NC Chairman, and NC member. If a Non-executive Independent Director occupies a position for part of the financial year, the fee(s) payable will be pro-rated accordingly.

Additional fee is paid to the Independent Director appointed to the board of the overseas principal subsidiary.

Directors' Fees are reviewed annually by the RC and/or the Board, taking into consideration contributions, regulatory changes and responsibilities, and market benchmarks.

The RC, with the concurrence of the Board, has recommended that an amount of S$281,000 as Directors' Fees be paid to the Non-executive Independent Directors for FY2019. These fees will be tabled for shareholders' approval at the 2020 AGM.

7.2.2 Non-Executive Non-Independent Director

No remuneration was paid to the Non-executive Non-independent Director during the year. He also does not receive Directors' Fees.

CORPORATE GOVERNANCE REPORT

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

8.1 Directors' Remuneration

The Directors' remuneration for FY2019 in bands of S$250,000 is set out in the table below:

Name of Directors	Fixed Salary	Bonus paid or payable/ Benefit	Directors' Fees	Total
Executive Directors				
S$1,500,000 to below S$1,750,000				
Frankle (Djafar) Widjaja	65.1%	34.9%	–	100%
S$500,000 to below S$750,000				
Chew Yow Foo	63.9%	36.1%	–	100%
S$250,000 to below S$500,000				
Deborah Widjaja	69.4%	30.6%	–	100%
Non-Executive Independent Directors				
Below S$250,000				
Lim Jun Xiong, Steven	–	–	100%	100%
Willy Shee Ping Yah @ Shee Ping Yan	–	–	100%	100%
Foo Meng Kee	–	–	100%	100%
Non-Executive Non-Independent Director				
Nil				
Franky Oesman Widjaja	–	–	–	–

Variable bonus is based on performance in the same financial year.

Each Director's remuneration is expressed in bands of S$250,000 rather than to the nearest dollar, given that remuneration continues to be a sensitive subject, to the extent that it may encourage inappropriate and out of context peer comparisons and lead to discontent. The Company believes that the current format of disclosure in bands of S$250,000 with a percentage breakdown, is sufficient indication, for the time being, of each Directors' remuneration package.

8.2 Remuneration of Key Management Personnel

The top 5 key management personnel of the Group (in alphabetical order) who are not Directors of the Company ("KMP") for FY2019 and their remuneration falling in bands of S$250,000, are as follows:

Carolyn Wu Hong
Hor Chai Yuen
Joerg Delin
Thomas Rappl
Timothy O'Driscoll

Remuneration Band	Name of KMP
S$250,000 to below S$500,000	1
Below S$250,000	4

The total remuneration paid to the top 5 KMP for the year ended 31 December 2019 amounted to S$1,052,610.

The Company, having taken into account the relevant personnel's comments and sentiments and determination that their remuneration is not out of line when compared with the market range, believes that it is not in the Group's interest to disclose the above remuneration to the full extent recommended, due to the persistent sensitivity and confidentiality surrounding the issue of remuneration and, moreover, such disclosure may encourage inappropriate and out of context peer comparisons and discontent, and may, in certain cases, also hamper the Group's ability to retain its talent pool in a competitive environment.

8.3 Remuneration of Employees who are Substantial Shareholders of the Company, or are Immediate Family Members of a Director/CEO ("IFM") or a Substantial Shareholder of the Company

The remuneration of employees who are immediate family members of the CEO, and whose remuneration exceeds S$100,000 for FY2019, is as follows:

Remuneration Band	Name of Employee	Relationship
S$100,000 to below S$150,000	Jehnny Susanty	Spouse

Mr. Frankle (Djafar) Widjaja and Mr. Franky Oesman Widjaja are brothers. Ms. Deborah Widjaja is the daughter of Mr. Frankle (Djafar) Widjaja. Other than disclosed above, none of the Directors had immediate family members who were employees and whose remuneration exceeded S$100,000 for FY2019.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

9.1 Risk Management and Internal Controls - Responsibilities

The Board, with assistance from the Enterprise Risk Management Committee ("ERMC") and the AC, is ultimately responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls, including financial, operational, compliance and information technology controls, to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

9.2 The ERMC

The ERMC, comprising the following members during the year under review, assists Management in its role of managing risks, as part of the Group's efforts to strengthen its risk management processes and framework:

Frankle (Djafar) Widjaja	-	Executive Chairman and CEO
Deborah Widjaja	-	Executive Director and Deputy CEO
Chew Yow Foo	-	Executive Director and CFO
Timothy O'Driscoll	-	General Manager, Westin Bund Center
John Woo	-	General Manager, Bund Center Office Tower
Lai Foong Nin	-	Head of Internal Audit (Monitoring Function)

9.3 ERM Processes

The integrated enterprise risk management ("ERM") process of the Group has covered a comprehensive reporting system that would ensure, inter alia, the Board fulfilling its reporting obligations with regards to Principle 9 of the Code relating to risk management and internal controls.

To ensure that the Group's internal controls and risk management systems and processes are in place and adequate and effective, the following has been executed during the ERM implementation:

(a) performed an analysis to identify and prioritize the Group's critical risks management activities;

(b) rolled out time frame and plan to manage the Group's existing risk management activities; and

(c) reviews conducted by the external auditors, internal auditors and the ERMC.

9.4 Internal Controls

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. The AC, with the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Company's system of controls, including financial, operational, compliance and information technology controls, established by Management, and highlights to the Board any significant findings. In assessing the effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

9.5 Assurance from the CEO and the CFO

The AC and Board reviews and approves the results announcements before each release. In presenting the quarterly and annual financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's performance, position and prospects.

For the financial year under review, the CEO and the CFO have provided assurance to the Board on the integrity of the financial statements of the Company and its subsidiaries. For interim financial statements, the Board provided a negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual.

The CEO and CFO have obtained relevant assurances on corporate governance from the business heads in the Group, and, in turn, assured the Board of the following:

(a) Financial Records

The financial records of the Group for FY2019 have been properly maintained and the FY2019 Financial Statements give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework that are free from material misstatement; and

(b) Risk Management and Internal Controls

The internal controls, including financial, operational, information technology controls, and risk management systems in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment.

9.6 Commentary on Adequacy and Effectiveness of Internal Controls and Risk Management Systems

The AC undertakes an annual assessment regarding the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of the Group. In this regard, the AC is assisted by the external auditors, internal auditors and the ERMC.

The AC has reviewed the Company's key financial risk areas and noted that save for the exchange rate differences, the Group has not entered into any financial contracts which will give rise to significant financial risks. Please refer to paragraph 7 on page 51 of the Financial Report.

The Board is satisfied that there is appropriate and adequate review by the AC of the adequacy and effectiveness of the Company's internal controls and risk management systems established by Management.

On the basis of the assurance received from the CEO and CFO, as well as the ERM framework established and maintained, the work performed by the ERMC, internal auditors and external auditors, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risks management systems, are adequate and effective to meet the needs of the Group in its current business environment.

The Board notes that the Company's systems of internal controls and risk management provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledge that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee
The Board has an audit committee which discharges its duties objectively.

10.1 Audit Committee Composition and Role

The AC comprises the following 3 Directors, all of whom, including the AC Chairman, are Non-executive Independent Directors:

Lim Jun Xiong, Steven (AC Chairman)
Willy Shee Ping Yah @ Shee Ping Yan
Foo Meng Kee

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC. None of the members of the AC were previous partners or directors of our external auditors, Moore Stephens LLP, and none of the members of the AC hold any financial interest in Moore Stephens LLP.

The AC's roles and responsibilities are described in its terms of reference. The AC has the explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the AC to discharge its functions properly.

The duties of the AC include the following:

(a) reviewing the audit plans of the Company's internal and external auditors, their evaluation of the system of internal controls, their audit reports, their management letter and our management's response;

(b) reviewing the co-operation given by our Company's management to the external auditors;

(c) considering and recommending the appointment or re-appointment of the Company's external auditors and matters relating to resignation or dismissal of auditors;

(d) considering the appointment or re-appointment of an internal auditor or compliance adviser;

(e) reviewing the financial statements of the Company and the Group before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with the Listing Manual and any other relevant statutory/regulatory requirements;

(f) reviewing interested person transactions (if any);

(g) reviewing potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflict of interests;

(h) undertaking such other reviews as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(i) reviewing the internal controls and procedures and ensure co-ordination between the external auditors and management, reviewing the assistance given by management to the auditors, and discussing problems and concerns, if any, arising from interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);

(j) generally undertaking such other functions and duties as may be required by statute, regulations or the Listing Manual, or by such amendments as may be made thereto from time to time;

(k) reviewing arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

(l) conducting periodic review of foreign exchange transactions and hedging policies (if any) undertaken by the Group.

Apart from the above functions, the AC will commission and review the findings of internal investigations into matters where there is suspicion of fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Company's operating results and/or financial position.

The AC reviews with Management, and where relevant, the auditors, the results announcements, annual report and financial statements, interested person transactions (if any) and corporate governance, before submission to the Board for approval or adoption.

In performing its functions, the AC meets with the internal auditors and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the AC also meets with the internal auditors and external auditors whereby any issues may be raised directly with the AC, without the presence of Management. The internal and external auditors have unfettered access to the AC.

In its review of the financial statements of the Group for FY2019 ("FY2019 Financial Statements"), the AC has discussed with external auditors and Management on matters of significance which are included under "Key Audit Matters" in the Independent Auditors' Report. The AC is satisfied that those matters ie. revenue recognition and valuation of properties have been appropriately addressed. The AC recommended to the Board to approve the audited FY2019 Financial Statements. The Board has on 12 March 2020 approved the FY2019 Financial Statements.

10.2 External Auditors' Independence

Taking cognizance that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the AC undertook a review of the independence of the external auditors, Moore Stephens LLP. During this process, the AC also reviews any non-audit services provided by the external auditors to satisfy itself that the nature and extent of such non-audit services would not affect their independence. Fee for audit services to the external auditors is disclosed in the Notes to the FY2019 Financial Statements on page 76 of this Annual Report. The external auditors did not provide any non-audit services to the Group during FY2019.

The AC has recommended to the Board that the external auditors be nominated for re-appointment at the 2020 AGM.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual.

10.3 Whistle-Blowing Procedures

The Board is committed to uphold the Company's values and standards, and has put in place whistle-blowing procedures by which staff may, in confidence, raise concerns or complaints about possible improprieties relating to matters of financial reporting or other matters.

Under these procedures, the AC may, if it deems appropriate, engage appropriate external independent advisors, at the Company's expense.

The Company is committed to treat all complaints as confidential, and the anonymity of the whistle-blower concerned will be maintained until the whistle-blower indicated that he or she does not wish to remain anonymous.

10.4 Internal Audit

The Company has established an in-house internal audit function.

The Head of Internal Audit's primary reporting line is to the AC Chairman, with an administrative line of reporting to the CEO. The Head of Internal Audit has met the standards set by nationally or internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls.

The AC approves the hiring and removal of the Head of Internal Audit and ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. It also ensures the adequacy of the internal audit function.

The annual internal audit plan is established in consultation with, but independent of, Management, and is reviewed and approved by the AC. At AC meetings, the AC reviews and discusses with Management, internal audit findings, recommendations and status of remediation.

The internal auditors have unfettered access to the Group's documents, records, properties and personnel, including access to the AC.

The AC is satisfied that the Company's internal audit function is adequately resourced and has appropriate standing within the Company. It is also satisfied with the independence, adequacy and effectiveness of the internal audit function.

10.5 Annual Confirmation on Procedures relating to Rights of First Refusal ("ROFR")

In accordance with paragraph 4.2 of the circular dated 12 November 2014 ("Circular") to shareholders of the Company, the AC confirms that no ROFR (details of which are set out in the Circular) has been granted to and/or exercised by Sinarmas Land Limited and the Company for FY2019.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, positions and prospects.

11.1 Shareholder Rights

The Company recognizes the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated fairly and equitably, and their rights are protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to the Group's business which could be trade-sensitive or have a material impact on the Company's share price or value.

All shareholders of the Company are entitled to attend and vote at general meetings in person or by proxy. In 2017, the Bye-laws was amended to include provisions to facilitate the sending of documents, including circulars and annual reports, to shareholders, using electronic communications. In that year, the Listing Manual was also amended to allow such electronic communications. Starting with the 2018 AGM, the Company used electronic communications to transmit annual reports and other documents to shareholders. The annual report and other documents are made available on the Company website[1], and all shareholders of the Company receive a letter on how to access the said documents. They also receive the printed notice of AGM, proxy form and request form for printed copies of the annual report and appendices. The notice of AGM is advertised in the newspapers and released via SGXNET.

1 http://www.bundcenter.com/en/financial-information/

11.2 Conduct of Shareholder Meetings

During the AGMs which are held in Singapore, shareholders are given the opportunity to express their views and to engage the Board and Management on the Group's business activities and financial performance. Directors are encouraged to attend shareholders' meetings. In particular, members of the AC, NC and RC and the external auditors are asked to be present to address questions at such meetings.

In 2017, the Bye-laws was amended to allow relevant intermediaries to appoint more than two proxies to attend and vote at shareholders' meetings. Such appointments were accordingly permitted by the Company starting with the 2018 AGM.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted, as the authentication of shareholder identity information and other related integrity issues still remain a concern.

In support of greater transparency and to allow for a more efficient voting process, the Company has been conducting electronic poll voting instead of voting by show of hands since the 2013 AGM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast "for" and "against" and the respective percentages, in respect of each resolution, will be instantly displayed on–screen at the meeting. The detailed breakdown of results showing the total number of votes cast "for" and "against" each resolution and the respective percentages are announced via SGXNET after the AGM.

The Company does not believe that it will necessarily benefit the Company by uploading minutes of general meetings on its corporate website, since such minutes are available to shareholders, upon their request.

11.3 Dividend Policy

Based on Management recommendations, the Directors determine on a quarterly basis the amount, if any, of dividends to be declared taking into account all relevant factors. Any payouts will be clearly communicated to shareholders via announcements posted on SGXNET.

The Board has recommended a proposed first and final dividend of S$0.01 per ordinary share for FY2019, subject to shareholders' approval at the 2020 AGM.

Principle 12: Engagement with Shareholders
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

12.1 Engagement with Shareholders

Shareholders are kept informed of corporate developments by announcements and annual reports posted on the SGX website. General information on the Group may also be found on the Company's website.

During FY2019, the Company announces its results on a quarterly basis. The Company does not practice selective disclosure of material information. In line with continuous disclosure obligations of the Company under the Listing Manual, the Company conveys material information and its quarterly financial results through announcements made via SGXNET. Results announcements and annual reports are announced or issued within the specified / stipulated period.

The current situation does not warrant it nor is it cost effective for having a dedicated investor relations personnel or team. Nonetheless, the Executive Directors and Management of the Company remain open to address queries of shareholders and other stakeholders on the Group's operations and related corporate actions. The Directors meet with shareholders at least annually at the AGM.

MANAGING STAKEHOLDER RELATIONSHIPS

Principle 13: Engagement with Stakeholders
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Board recognizes the interests of other parties such as customers and tenants, employees, contractors, suppliers and the larger community are essential as part of value creation for the Group. In order to review and assess the material topics relevant to the Company's business activities, the Company from time to time proactively engages with various stakeholders to gather feedback on the sustainability issues most important to them.

There is in place a process to identify major stakeholders, their needs and effective communication channels to engage these stakeholders.

DEALINGS IN SECURITIES

The Company complies with Rule 1207(19) of the Listing Manual on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealings in the Company's securities by the Company, its Directors and officers, including the prohibition on dealings in the Company's securities on short-term considerations.

Dealings in the Company's securities are prohibited during the period commencing (i) two weeks before announcement of the Company's first, second and third quarter results (if the Company announces its quarterly results, whether required by the SGX-ST or otherwise) and (ii) one month before the announcement of the Company's half year and full year results (if the Company does not announce its quarterly results), and ending on the date of the announcement of the results. Such dealings in the securities of the Company as well as securities of other listed companies are also prohibited whilst in possession of unpublished material price-sensitive information in relation to those securities.

INTERESTED PERSON TRANSACTIONS

There were no relevant interested person transactions entered into for FY2019.

CORPORATE GOVERNANCE REPORT

ADDITIONAL REQUIREMENTS UNDER RULE 720(6) OF THE LISTING MANUAL

Information relating to Directors seeking re-election at the 2020 AGM is as follows:

NAME OF DIRECTOR	WILLY SHEE PING YAH @ SHEE PING YAN ("WS")	CHEW YOW FOO ("CYF")
Date of Appointment	17 February 2010	9 September 2009
Date of last re-appointment (if applicable)	25 April 2017	25 April 2017
Age	71	60
Country of principal residence	Singapore	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Please refer to item 4.5 on page 32 of this Annual Report.	Please refer to item 4.5 on page 32 of this Annual Report.
Whether appointment is executive, and if so, the area of responsibility	No	Executive. Responsible for the property business in the PRC.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-executive Independent Director; Chairman of NC, Member of AC and RC	Executive Director and CFO
Professional qualifications **Working experience and occupation(s) during the past 10 years**	Please refer to page 9 of this Annual Report.	Please refer to page 8 of this Annual Report.
Shareholdings interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments[*] Including Directorships[#]	Past (for the last 5 years) • Ascendas Hospitality Fund Management Pte Ltd • Ascendas Hospitality Trust Management Pte Ltd • Ascendas Pte Ltd • Ascendas-Singbridge Gives Foundation • CBRE Pte Ltd • CBRE Management Pte Ltd • Lafe (Emerald Hill) Development Pte Ltd • NTUC Fairprice Co-operative Ltd • OMB Pte Ltd • SLF Properties Pte Ltd • Sunway REIT Management Sdn Bhd Present • Sinarmas Land Limited • Keppel Land Limited • Mercatus Co-operative Ltd • Shanghai Golden Bund Real Estate Co., Ltd • CBRE Pte Ltd (Senior Advisor) • Singapore Turf Club (Committee Member)	Past (for the last 5 years) Nil Present • Handful Resources Limited • Koon Chung Limited • Ningbo Zhonghua Land Co. Ltd • Shanghai Golden Bund Real Estate Co., Ltd

* "Principal Commitments" has the same meaning as defined in the Code.

CORPORATE GOVERNANCE REPORT

\# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

	NAME OF DIRECTOR	WS	CYF
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

FINANCIAL REPORT CONTENTS

REPORT OF THE DIRECTORS

31 December 2019

The directors are pleased to present their report together with the audited consolidated financial statements of Bund Center Investment Ltd ("BCI" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2019 and the statement of financial position of the Company as at 31 December 2019.

1 Directors

The directors of the Company in office at the date of this report are:

Frankle (Djafar) Widjaja
Franky Oesman Widjaja
Deborah Widjaja
Chew Yow Foo
Lim Jun Xiong, Steven
Willy Shee Ping Yah @ Shee Ping Yan
Foo Meng Kee

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3 Directors' Interest in Shares and Debentures

Except as disclosed below, no directors who held office at the end of the financial year had an interest in the shares or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Name of director in which interests are held	Shareholdings registered in the name of directors or their spouse		Shareholdings in which directors are deemed to have an interest	
The Company No of ordinary shares	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
Lim Jun Xiong, Steven	666	666	-	-

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2020.

4 Directors' Receipt and Entitlement to Contractual Benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain directors have received remuneration in their capacity as directors and/or executives and as disclosed in the notes to the financial statements.

5 Share Options

There were no options granted during the financial year to subscribe for unissued shares of the Company and its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company and its subsidiaries.

There were no unissued shares under option at the end of the financial year in respect of shares of the Company and its subsidiaries.

6 Interested Person Transactions Disclosure

There were no relevant interested person transactions entered into during the year ended 31 December 2019.

7 Risk Management

The management reviews regularly the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. In addition, the external auditors carry out in the course of their statutory audit, a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls. Material non-compliance and internal control weaknesses (if any) noted during their audit are reported to the Audit Committee together with their recommendations. Management will follow up on the auditors' recommendations (if any) so as to strengthen the Group's internal control systems.

The following key financial risks areas have been discussed by the Board:

(a) Foreign currency risk;
(b) Interest rate risk;
(c) Price risk;
(d) Credit risk; and
(e) Liquidity risk.

These key financial risk areas are discussed in Note 29 to the financial statements.

8 Independent Auditors

The auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

FRANKLE (DJAFAR) WIDJAJA	**CHEW YOW FOO**
Director	Director

Singapore
12 March 2020

STATEMENT BY DIRECTORS

31 December 2019

In the opinion of the directors,

(a) the accompanying statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 57 to 91 are drawn up so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

FRANKLE (DJAFAR) WIDJAJA	**CHEW YOW FOO**
Director	Director

Singapore
12 March 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Bund Center Investment Ltd

Opinion

We have audited the financial statements of Bund Center Investment Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	**How our audit addressed the risk factors**
Revenue recognition We refer to Note 3(n) and Note 5 to the financial statements. The Group is principally engaged as a hotel owner and property owner and its revenue comprises hotel revenue and property leasing income. The accounting policies for the different revenue streams are set out in Note 3(n) to the financial statements. This is a key audit matter as revenue is an important measure used to evaluate the performance of the Group. There is a risk that revenue is presented for amounts higher than what has been actually generated by the Group.	Our audit response: We performed procedures to understand the Group's control environment on the revenue cycle, performed tests of key controls as appropriate, and performed tests of details on a sample basis for hotel revenue and property leasing income. We performed analytical review procedures and enquired with management for any significant or unusual fluctuations noted. We tested the revenue to be recognised in the relevant accounting period by performing cut-off tests at the year end. We also tested journal vouchers for any unusual adjustments made to the revenue account. We reviewed the adequacy of the Group's disclosure made in the financial statements on revenue. Our audit findings: We found the Group's revenue recognition to be consistent with its accounting policies and are satisfied that the Group's revenue has been appropriately recognised in the relevant accounting period. We also found the disclosures on revenue in that Note 3(n) and Note 5 to be appropriate.

(cont'd)

Key Audit Matters	How our audit addressed the risk factors
Valuation of properties We refer to Note 3(f) and (g), Note 4(b), Note 15 and Note 16 to the financial statements. The Group's properties, comprising investment properties of S$179.5 million and leasehold property of S$137.8 million under property, plant and equipment, accounted for 64.5% of the Group's total assets as at 31 December 2019. The Group accounts for its properties at cost, less accumulated depreciation and any impairment losses. Management reviews for any indicators of impairment on its properties at year end. An impairment exists when the carrying amount of the properties is higher than its recoverable amount, which is the higher of fair value less cost of disposal and value in use. This is a key audit matter as the assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amount, requires significant management judgement.	Our audit response: We evaluated management's assessment on impairment indications, including a detailed discussion with the Group's key management and corroborating to evidential materials in support of the management's assessment. Our audit findings: We found the management's assessment on impairment indications for the Group's properties to be appropriate. The management's assessment for the fair value of the Group's properties to evaluate the recoverable amount of the properties is also within a reasonable range. We also considered the adequacy of the disclosures in the financial statements and found them to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Members of Bund Center Investment Ltd

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms Lao Mei Leng.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
12 March 2020

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 December 2019

	Note	2019 S$'000	2018 S$'000
Revenue	5	110,347	118,878
Cost of sales		(52,942)	(57,128)
Gross profit		57,405	61,750
Selling expenses		(5,440)	(6,633)
General and administrative expenses		(20,094)	(19,707)
Total operating expenses		(25,534)	(26,340)
Operating profit		31,871	35,410
Financial income	6	4,732	4,659
Financial expenses	6	(8)	(8)
Other operating income	7	6,689	1,956
Profit before income tax	8	43,284	42,017
Income tax	9	(14,838)	(14,579)
Profit for the year		28,446	27,438
Profit for the year attributable to:			
Owners of the Company		27,566	26,517
Non-controlling interests		880	921
		28,446	27,438
Earnings per share (cents)			
Basic and diluted	10	3.63	3.49

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2019

	2019 S$'000	2018 S$'000
Profit for the year	28,446	27,438
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences arising from consolidation	(11,833)	(13,359)
Total comprehensive income for the year, net of tax	16,613	14,079
Total comprehensive income for the year attributable to:		
Owners of the Company	16,128	13,728
Non-controlling interests	485	351
	16,613	14,079

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group 2019 S$'000	Group 2018 S$'000	Company 2019 S$'000	Company 2018 S$'000
ASSETS					
Current Assets					
Cash and cash equivalents	11	159,522	141,714	82	41
Short-term investments	12	1,367	1,022	-	-
Trade receivables and other current assets	13	3,627	3,531	21,643	31,372
Inventories, at cost		391	389	-	-
		164,907	146,656	21,725	31,413
Non-Current Assets					
Interest in subsidiaries	14	-	-	410,659	410,659
Investment properties	15	179,505	193,492	-	-
Property, plant and equipment	16	142,910	154,148	-	-
Deferred tax assets	17	3,729	4,099	-	-
Deferred charges	18	532	568	-	-
		326,676	352,307	410,659	410,659
Total Assets		491,583	498,963	432,384	442,072

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group 2019 S$'000	Group 2018 S$'000	Company 2019 S$'000	Company 2018 S$'000
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	19	21,754	26,348	656	301
Income tax payable		3,551	6,080	-	-
Lease liability	22	70	-	-	-
Obligations under finance lease	20	-	70	-	-
		25,375	32,498	656	301
Non-Current Liabilities					
Lease liability	22	23	-	-	-
Obligations under finance lease	20	-	93	-	-
Long-term liabilities	21	12,184	12,641	-	-
Deferred tax liabilities	17	3,820	2,915	-	-
		16,027	15,649	-	-
Total Liabilities		41,402	48,147	656	301
Equity Attributable to Owners of the Company					
Share capital	23	105,784	105,784	105,784	105,784
Share premium		304,881	304,881	304,881	304,881
Treasury shares	23	(1,498)	(1,498)	(1,498)	(1,498)
Asset revaluation reserve	24	65,175	65,175	-	-
Merger reserve	25	(133,639)	(133,639)	-	-
Foreign currency translation reserve		19,771	31,209	-	-
Retained earnings		73,939	63,066	22,561	32,604
		434,413	434,978	431,728	441,771
Non-controlling interests		15,768	15,838	-	-
Total Equity		450,181	450,816	431,728	441,771
Total Liabilities and Equity		491,583	498,963	432,384	442,072

On behalf of the Board of Directors

FRANKLE (DJAFAR) WIDJAJA
Director

CHEW YOW FOO
Director

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2019

	← 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 1.1.2019	105,784	304,881	(1,498)	65,175	(133,639)	31,209	63,066	434,978	15,838	450,816
Profit for the year	-	-	-	-	-	-	27,566	27,566	880	28,446
Other comprehensive loss for the year - Foreign currency translation	-	-	-	-	-	(11,438)	-	(11,438)	(395)	(11,833)
Total comprehensive income for the year	-	-	-	-	-	(11,438)	27,566	16,128	485	16,613
Dividends paid (Note 26)	-	-	-	-	-	-	(16,693)	(16,693)	-	(16,693)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(555)	(555)
Balance as at 31.12.2019	105,784	304,881	(1,498)	65,175	(133,639)	19,771	73,939	434,413	15,768	450,181
Balance as at 1.1.2018	105,784	304,881	(1,498)	65,175	(133,639)	43,998	36,549	421,250	16,034	437,284
Profit for the year	-	-	-	-	-	-	26,517	26,517	921	27,438
Other comprehensive loss for the year - Foreign currency translation	-	-	-	-	-	(12,789)	-	(12,789)	(570)	(13,359)
Total comprehensive income for the year	-	-	-	-	-	(12,789)	26,517	13,728	351	14,079
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	-	(547)	(547)
Balance as at 31.12.2018	105,784	304,881	(1,498)	65,175	(133,639)	31,209	63,066	434,978	15,838	450,816

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2019

	Note	2019 S$'000	2018 S$'000
Cash flows from operating activities			
Profit for the year		28,446	27,438
Adjustments for:			
Depreciation of investment properties	15	11,725	12,025
Depreciation of property, plant and equipment	16	8,855	9,504
Amortisation of deferred charges	18	21	24
Changes in fair value of financial assets at fair value through profit or loss	7	(379)	308
Property, plant and equipment written off	7	1	-
(Write back of)/Allowances for loss on trade receivables	13	(14)	11
Interest income	6	(4,732)	(4,659)
Interest expense	6	8	8
Unrealised foreign exchange (gain)/loss		(149)	2,661
Income tax expenses		14,838	14,579
Operating cash flow before working capital changes		58,620	61,899
Changes in working capital:			
Trade receivables and other current assets		(68)	798
Inventories		(2)	44
Trade and other payables		(4,490)	(648)
Cash generated from operations		54,060	62,093
Interest received		4,718	4,659
Income tax paid		(15,744)	(13,778)
Interest paid		(8)	(8)
Net cash generated from operating activities		43,026	52,966
Cash flows from investing activities			
Capital expenditure on investment properties	15	(2,355)	-
Capital expenditure on property, plant and equipment	16	(1,301)	(1,077)
Net cash used in investing activities		(3,656)	(1,077)
Cash flows from financing activities			
Repayment of obligations under finance leases		-	(70)
Principal payment of lease liability		(70)	-
Payment of dividends		(17,795)	-
Net cash used in financing activities		(17,865)	(70)
Net increase in cash and cash equivalents		21,505	51,819
Cash and cash equivalents at the beginning of the year		141,714	93,904
Effect of exchange rate changes on cash and cash equivalents		(3,697)	(4,009)
Cash and cash equivalents at the end of the year		159,522	141,714

The accompanying notes form an integral part of the financial statements.

1 General Information

Bund Center Investment Ltd (the "Company") is listed on the Singapore Exchange and was incorporated on 5 August 2009 under the Companies Act 1981 of Bermuda as an exempted company with limited liability.

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. Details of the principal activities of the subsidiaries are set out in Note 14 to the financial statements. The controlling shareholders of the Company comprise certain members of the Widjaja Family.

The statement of financial position of the Company and the consolidated financial statements of the Group as at and for the financial year ended 31 December 2019 were authorised for issue by the Board of Directors on 12 March 2020.

2 Adoption of New/Revised International Financial Reporting Standards ("IFRSs") Issued

(a) Adoption of New and Revised IFRSs

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2019. Except for the adoption of IFRS 16 *Leases*, the effect of which is discussed below, the adoption of the new and revised IFRSs has had no material financial impact on the financial statements of the Group.

<u>IFRS 16, *Leases*</u>

IFRS 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-*15 Operating Leases – Incentives*; and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 requires lessees to recognise right-of-use ("ROU") 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 ROU asset is depreciated and interest expense is recognised on the lease liability. ROU assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. 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.

On 1 January 2019, the Group elected an expedient offered by IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease. The Group has also elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For leases previously classified as finance lease under IAS 17, the carrying amount of the leased asset and obligations under finance lease as at 1 January 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

There are no significant changes to the accounting by the Group as a lessor.

2 Adoption of New/Revised International Financial Reporting Standards ("IFRSs") Issued (cont'd)

(a) Adoption of New and Revised IFRSs (cont'd)

IFRS 16, *Leases* (cont'd)

On 1 January 2019, the Group reclassified net carrying amount of S$332,000 of fixed assets acquired under finance lease arrangements to ROU assets and included in its lease liability recognised under IFRS 16, S$163,000 of total obligations under finance lease that were recorded as at 31 December 2018. The Group also assessed its total operating lease commitments of office premise as lessee as at 31 December 2018 and the impact on its financial statements is not significant. The Group presented these leases under lease of low-value asset and short-term leases as at 31 December 2019. There are no significant changes to the accounting by the Group as a lessor.

The difference between the operating lease commitments disclosed applying IAS 17 in the Group's financial statements as at 31 December 2018 and the lease liability recognised in the statement of financial position as at 1 January 2019 are presented below:

	Group S$'000
Operating lease commitments disclosed as at 31 December 2018	63
Less: Lease of low-value asset and short-term leases	(63)
Add: Obligations under finance lease	163
Lease liability recognised as at 1 January 2019	163

(b) New and Revised IFRSs issued but not yet effective

As at the date of authorisation of these financial statements, the following amendments to standards that are relevant to the Group and the Company have been issued but are not yet effective:

Description	Effective date (Annual period beginning on or after)
Amendments to IAS 1 and IAS 8, *Definition of Material*	1 January 2020
Amendments to IFRS 3, *Definition of a Business*	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, *Interest Rate Benchmark Reform*	1 January 2020
Amendments to IAS 1, *Classification of Liabilities as Current and Non-Current*	1 January 2022

The directors of the Company expect the adoption of the amendments to standards above will have no material impact on the financial statements of the Group and the financial position of the Company in the period of initial application.

3 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are prepared on the historical cost basis, except as disclosed in the accounting policies below. The financial statements have been prepared in accordance with IFRSs.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and judgements that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosures of contingent assets and liabilities. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 4 to the financial statements.

(b) Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each entity in the Group are presented in Singapore dollars, which is the functional currency of the Company. All financial information presented in Singapore dollars have been rounded to the nearest thousand (S$'000) unless otherwise indicated.

(c) Foreign Currency Transactions and Translation

Foreign currency transactions are translated into the respective functional currencies of the entities in the Group using the exchange rates prevailing at the dates of transactions are entered into. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign currency denominated monetary assets and liabilities at the rates prevailing at the reporting date are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

In the preparation of the consolidated financial statements, the financial statements of those entities whose functional currency is not the Singapore dollars are translated into Singapore dollars, the presentation currency of the Group, as follows:

- assets and liabilities are translated at the closing exchange rate at the reporting date;
- share capital and reserves are translated at historical exchange rates; and
- income and expenses are translated at average exchange rates for the period (unless the average rate is not a reasonable approximation of the cumulative effect of rates prevailing on the transactions dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions).

Exchange differences arising from the above translations are recognised in other comprehensive income and these are accumulated in the foreign currency translation reserve. On consolidation, exchange differences arising from the translation of net investments in foreign entities (including monetary items that in substance form part of the net investments in foreign entities) are recognised in other comprehensive income and accumulated foreign currency translation reserve. On disposal, the accumulated translation differences are recognised in the income statement as part of the gain or loss on disposal in the period in which the foreign entity is disposed of. While on a partial disposal which does not result in a loss of control, the proportionate share of accumulated translation differences are re-attributed to non-controlling interests and are not recognised in the income statement.

3 Summary of Significant Accounting Policies (cont'd)

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to 31 December, after elimination of material balances, transactions and unrealised profit or loss on transactions between the group entities. The financial statements of the subsidiaries are prepared for the same accounting period as the Company, using uniform accounting policies for like transactions and other events in similar circumstances in accordance with IFRSs.

The acquisition method of accounting is used to account for the business combination. The consideration transferred in a business combination is measured at fair value which comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the acquirer. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. Any non-controlling interests in the acquiree is measured at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Non-controlling interests ("NCI") are that part of the net results of operations and of net assets of a subsidiary attributable to the interest which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the change in carrying amount of the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the income statement.

Business combinations which involve the transfer of net assets or the exchange of shares between entities under common control are accounted for as a uniting of interests. The financial information included in the consolidated financial statements reflects the combined results of the entities concerned as if the combination had been in effect for all periods presented. In accordance with IFRSs, profits reflected in the financial statements prepared in accordance with IFRSs may differ from those reflected in the PRC statutory financial statements of the subsidiaries, prepared for PRC reporting purposes. In accordance with relevant laws and regulations, profits available for distribution by the PRC subsidiaries are based on the amounts stated in the PRC statutory financial statements.

(e) Subsidiaries

Subsidiaries are entities over which any of the Group companies have control. The Group companies control an entity if and only if they have power over the entity and when they are exposed to, or have rights to variable returns from their involvement with the entity, and have the ability to use their power over the entity to affect those returns. The Group will re-assess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group companies and are deconsolidated from the date that control ceases.

Interests in subsidiaries are stated at cost less any accumulated impairment losses in the Company's statement of financial position. On disposal of interests in subsidiaries, the difference between the disposal proceeds and the carrying amounts of the interests are recognised in the income statement.

3 Summary of Significant Accounting Policies (cont'd)

(f) Investment Properties

Investment properties are properties held to earn leasing income and/or for capital appreciation. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 30 to 40 years or, where shorter, the terms of the relevant leases. Investment properties are subject to renovations or improvements at regular intervals.

The cost of major renovation and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance and minor improvements is recognised in the income statement when incurred. Investment properties are derecognised when, either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

The residual values and estimated useful lives of investment properties are reviewed, and adjusted as appropriate, at each reporting date. The effect of any revision are recognised in the income statement when the changes arise.

(g) Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment losses whereby the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is charged so as to write off the cost of assets, using the straight-line method, over the following estimated useful lives:

Leasehold land and buildings	-	30 to 40 years
Plant, machinery and equipment	-	5 to 20 years
Motor vehicles	-	5 years
Furniture and fixtures	-	5 years

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of maintenance and repairs is charged to the income statement as incurred; significant renewals and improvements are capitalised. When assets are retired or otherwise disposed of, their carrying amounts and the related accumulated depreciation are derecognised and any resulting gains or losses are recognised in the income statement for the year.

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effect of any revision are recognised in the income statement when the changes arise.

(h) Deferred Charges

Deferred charges comprise certain expenditures, being benefits extend over a period of more than one year which are initially recognised at cost and subsequently carried at cost less accumulated amortisation. These costs are amortised to the income statement over the periods benefited using the straight-line method.

3 Summary of Significant Accounting Policies (cont'd)

(i) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated at the higher of the asset's value in use and/or its fair value less cost of disposal.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as an income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Leases

Accounting policy applicable from 1 January 2019

- *When the Group is the lessee*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use ("ROU") assets and lease liabilities at the date which the underlying assets become available for use. ROU assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for re-measurement of lease liabilities. The cost of ROU assets includes the initial measurement of lease liabilities adjusted for any lease payment made at or before the commencement dates, plus any initial direct costs incurred less any lease incentives received. Any initial cost that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU assets. ROU asset is depreciated using the straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low-value assets. Lease payments relating to these leases are expensed to the income statement on a straight-line basis over the lease term.

ROU assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment" in the statement of financial position. ROU assets which meet the definition of an investment property are presented as "Investment properties" and accounted for in accordance with Note 3(f) to the financial statements.

3 **Summary of Significant Accounting Policies** (cont'd)

(j) Leases (cont'd)

Accounting policy applicable from 1 January 2019 (cont'd)

- *When the Group is the lessee (cont'd)*

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If the rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liabilities comprise fixed payments (including in substance fixed payment), less any lease incentive receivables. Lease liabilities are subsequently measured at amortised cost, and are remeasured when there is a change in the Group's assessment of whether it will exercise lease extension and termination option, or there is a modification to the lease terms. Where lease liabilities are remeasured, corresponding adjustments are made against the ROU assets. If the carrying amount of the ROU assets have been reduced to zero, the adjustments are recorded in the income statement.

- *When the Group is the lessor*

Leases of investment properties where the Group retains substantively all risks and rewards incidental to ownership are classified as operating lease. Leasing income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease period. Contingent rents are recognised as income in the income statement when earned. When a lease is terminated before the lease period expires, any payment received by the Group as penalty is recognised as an income when termination takes place.

Accounting policy applicable before 1 January 2019

- *When the Group is the lessee*

Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment when the Group assumed substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the finance charges and the reduction of the outstanding lease liability. The finance charge is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

- *When the Group is the lessor*

The Group's accounting policies as a lessor under IAS 17 *Leases* are similar to IFRS 16 as described above.

(k) Inventories

Inventories comprise primarily hotel consumables are measured at the lower of cost, determined using the first-in, first-out basis, and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion.

3 Summary of Significant Accounting Policies (cont'd)

(l) Financial Assets

The Group recognises a financial asset when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Group classifies its non-derivative financial assets in the following measurement categories: those to be measured at an amortised cost, and those to be measured subsequently at fair value through profit or loss ("FVTPL"). The Group does not have financial assets classified as fair value through other comprehensive income. The Group classifies trade receivables as those measured at amortised cost and short-term investments as measured at FVTPL.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the income statement.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Cash and cash equivalents classified under current assets comprise cash on hand, cash in bank and time deposits with maturities of three months or less and which are highly liquid assets that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL. These assets are subsequently measured at fair value. Gains and losses including any interest or dividend income and any gain or loss on derecognition will be recorded in income statement.

The Group recognises loss allowance from expected credit losses ("ECLs") on financial assets measured at amortised costs. Loss allowances of the Group are measured on either 12-months ECLs that results from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or lifetime ECLs that will result from all possible default events over the expected life of a financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

3 Summary of Significant Accounting Policies (cont'd)

(l) Financial Assets (cont'd)

The Group applies the simplified approach to provide for ECLs for all trade receivables as permitted by IFRS 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group applies the general approach to provide for ECLs on all other financial instruments. The general approach requires the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition. At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amounts of these assets.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in income statement.

3 Summary of Significant Accounting Policies (cont'd)

(m) Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. The Group recognises a financial liability when, and only when, the entity becomes a party to the contractual provisions of the instrument. Financial liabilities include lease liabilities, finance lease obligations and trade and other payables. The accounting policy adopted for lease liabilities is outlined in Note 3(j) to the financial statements.

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received. Interest-bearing trade and other payables are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing trade and other payables are stated at amortised cost using the effective interest method.

Financial liabilities are derecognised when, and only when, the obligations are discharged, cancelled or they expire. The difference between the carrying of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

Ordinary shares are classified as equity. Share capital is determined using the par value of shares that have been issued. Share premium includes any excess received on the issuance of shares over the par value, net of any direct issue costs. The application of the share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

The Company's own ordinary shares, which are re-acquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, re-issuance or cancellation of equity shares. Any difference between the carrying amount of treasury shares and the consideration received, if re-issued, is recognised directly in equity as gain or loss on re-issuance of treasury shares.

(n) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is recognised in the income statement as follows:

- Hotel room revenue is recognised based on room occupancy while other hotel revenues are recognised when the goods are delivered or the services are rendered to the customers.
- Leasing income from operating leases on investment property is recognised on a straight-line basis over the lease term.
- Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.
- Deferred income is recognised when the right to receive payment is established.

3 Summary of Significant Accounting Policies (cont'd)

(o) Business Assistance Grant

Business assistance grants are granted by certain district bureau. Such grant which is discretionary in nature is recognised at their fair value and presented as a credit in the income statement under a general heading such as "Other Operating Income" upon receipt.

(p) Borrowing Costs

Interest expense and similar charges are expensed in the income statement in the period in which they are incurred, except to the extent they are capitalised as being directly attributable to the acquisition and construction of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(q) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date in the countries where the Group operates and generates income. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amount expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred income tax is also dealt with in equity. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. The amount of deferred income tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(r) Post-Employment Benefits

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Payments to defined contribution plans are charged as an expense when employees have rendered the services entitling them to the contributions.

(s) Dividends Distribution

Dividends distribution to the Company's shareholders is recognised as liability in the financial statements in the period in which the dividends are approved for payment.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the Executive Committee whose members are responsible for allocating and assessing performance of the operating segments.

3 Summary of Significant Accounting Policies (cont'd)

(u) Related Parties

A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate or a joint venture. An entity is considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity. An entity is also considered related if the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity.

4 Critical Accounting Estimates, Assumptions and Judgements

The Group makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

Estimated Useful Lives of Investment Properties and Property, Plant and Equipment

The Group estimates the useful lives of investment properties and property, plant and equipment based on the terms of the relevant leases, or where shorter, the period over which the assets are expected to be available for use. The estimated useful lives of investment properties and property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of investment properties and property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

There is no change in the estimated useful lives of investment properties and property, plant and equipment during the current financial year. The carrying amounts of the Group's investment properties and property, plant and equipment are disclosed in Note 15 and Note 16 to the financial statements respectively.

(b) Critical Judgement in Applying Accounting Policy

Impairment of Properties

The Group performs impairment tests on its properties comprising investment properties and leasehold land and buildings under property, plant and equipment, at each reporting date to assess whether they are impaired, in accordance with the accounting policy stated in Note 3(i) to the financial statements. The recoverable amounts of the properties are determined at the higher of the asset's value in use and/or its fair value less cost of disposal. In making this judgement, the Group evaluated the fair value of the properties based on independent professional valuations.

As at 31 December 2019, there is no impairment loss recognised in the financial statements and the carrying amount of the Group's investment properties and leasehold land and buildings under property, plant and equipment are disclosed in Note 15 and Note 16 to the financial statements respectively.

5 Revenue

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

	Group	
	2019	2018
	S$'000	S$'000
Hotel revenue	56,626	62,742
Property leasing income	53,721	56,136
	110,347	118,878

6 Financial Income and Expenses

	Group	
	2019	2018
	S$'000	S$'000
Financial income:		
Interest income on cash and cash equivalents	4,732	4,659
Financial expenses:		
Interest expense on lease liability/obligations under finance lease	(8)	(8)

7 Other Operating Income

	Group	
	2019	2018
	S$'000	S$'000
Miscellaneous services income	2,527	1,376
Business assistance grant	2,399	2,590
Penalty on early termination of leases	250	880
Advertising income	531	584
Net foreign exchange gain/(losses)	604	(3,166)
Changes in fair value of financial assets at fair value through profit or loss	379	(308)
Property, plant and equipment written off	(1)	-
	6,689	1,956

8 Profit before Income Tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group	
	2019	2018
	S$'000	S$'000
Audit fees paid/payable to:		
Auditors of the Company	120	120
Auditors of the subsidiaries	47	62
Non-audit fees paid/payable to:		
Auditors of the Company	-	-
Auditors of the subsidiaries	-	-
Depreciation of investment properties (Note 15)	11,725	12,025
Depreciation of property, plant and equipment (Note 16)	8,855	9,504
Staff costs:		
Salaries and wages	16,232	17,172
Contributions to defined contribution plans	3,494	3,675
Cost of consumables recognised as an expense in cost of sales	5,008	5,280

9 Income Tax

	Group	
	2019	2018
	S$'000	S$'000
Tax expense is made up of:		
Current income tax		
Current year	13,660	13,601
Under-provision in respect of prior years	-	18
	13,660	13,619
Deferred income tax (Note 17)	1,178	960
	14,838	14,579

Substantially all the Group's operations are located in the PRC. Accordingly, the PRC statutory tax rate is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate as shown below.

	Group	
	2019	2018
	S$'000	S$'000
Profit before income tax	43,284	42,017
Tax calculated at a tax rate of 25% (2018: 25%)	10,821	10,504
Withholding tax on dividend distributed by a subsidiary	843	808
Effect of:		
Non-taxable income	(185)	(66)
Non-deductible expenses	2,009	2,243
Different tax rate of subsidiaries operating in different jurisdictions	146	173
Deferred tax expense arising from unremitted retained earnings	905	679
Unrecognised deferred tax assets	299	220
Under-provision in respect of prior years	-	18
	14,838	14,579

10 Earnings Per Share

The earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company of S$27,566,000 (2018: S$26,517,000) by the weighted average numbers of ordinary shares in issue (excluding treasury shares) during the year of 758,768,832 (2018: 758,768,832).

There is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2019 and 2018.

11 Cash and Cash Equivalents

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cash on hand	58	90	-	-
Cash in banks	28,050	11,138	82	41
Short-term bank deposits	131,414	130,486	-	-
	159,522	141,714	82	41

The above short-term bank deposits earn interest at rates ranging from 1.3% – 4.0% (2018: 2.1% – 4.6%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
RMB	136,169	125,962	5	5
USD	23,228	15,527	32	19
SGD	79	180	45	17
Others	46	45	-	-
	159,522	141,714	82	41

12 Short-Term Investments

The short-term investments (classified as financial assets measured at fair value through profit or loss) represent investment in quoted funds which are denominated in RMB.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

13 Trade Receivables and Other Current Assets

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Trade receivables	2,012	1,379	-	-
Less: Loss allowance	(15)	(29)	-	-
	1,997	1,350	-	-
Non-trade receivables from:				
- Subsidiaries	-	-	21,583	31,311
- Third parties	550	739	-	-
Interest receivables	14	-	-	-
Deposits	88	37	-	-
Recoverables	267	474	-	-
	2,916	2,600	21,583	31,311
Prepayments	711	931	60	61
	3,627	3,531	21,643	31,372

The non-trade receivables from subsidiaries are unsecured, interest-free and repayable on demand.

For purpose of impairment assessment, the non-trade receivables are considered to have low credit risk as they are not due for payment at the end of the financial year and there has been no significant increase in the risk of default on the receivables since initial recognition.

As at 31 December 2019, 57% (2018: 4%) and 2% (2018: 5%) of the Group's trade receivables are past due for less than 3 months and more than 3 months respectively.

The allowance for impairment loss on trade receivables is made by using the lifetime ECL method. There has been no change in the estimation techniques or assumptions made during the current financial year. Movements in loss allowance on trade receivables are as follows:

	Group	
	2019	2018
	S$'000	S$'000
Balance at the beginning of the year	29	18
Loss allowance recognised during the year under:		
Lifetime ECL basis	13	11
Reversal of unutilised amounts	(27)	-
	(14)	11
Balance at the end of the year	15	29

Trade receivables and other current assets are denominated in the following currencies:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
RMB	3,160	3,078	-	-
USD	389	374	21,633	31,320
SGD	60	61	10	52
Others	18	18	-	-
	3,627	3,531	21,643	31,372

14 Interest in Subsidiaries

	Company 2019 S$'000	Company 2018 S$'000
Unquoted equity shares, at cost	266,194	266,194
Loans receivable denominated in SGD	144,465	144,465
	410,659	410,659

The loans receivable from a subsidiary are unsecured, interest-free and not expected to be repaid in the near future. The fair value of loans receivable is not determinable as the timing of the future cash inflows arising from these amounts cannot be measured reliably, hence these loans are recognised at transaction price.

As at end of the reporting date, details of the subsidiaries are as follows:

Name of company and country of incorporation	Principal activities	Effective percentage of equity held by The Group (%)	Effective percentage of equity held by NCI (%)
Casleton International Limited (5) British Virgin Islands	Investment holding	100.00	-
Handful Resources Limited (5) British Virgin Islands	Investment holding	100.00	-
Koon Chung Limited (3) Hong Kong	Investment holding and trading of hotel supplies and related products	100.00	-
Ningbo Zhonghua Land Co., Ltd ("NZL") (1) People's Republic of China	Property development	89.21	10.79
Primewyn Management & Services Pte Ltd (2) Singapore	Provision of consultancy and management services	100.00	-
Shanghai Golden Bund Real Estate Co., Ltd ("SGB") (1) People's Republic of China	Property owner and developer, and hotel owner	96.79	3.21
Smart Investment Ltd (4) Mauritius	Provision of consultancy and management services	100.00	-

Notes:

(1) Audited by Da Hua Certified Public Accountants, a member firm of Moore Global Network Limited of which Moore Stephens LLP, Singapore is a member.
(2) Audited by other firms of accountants, CA Practice PAC.
(3) Audited by other firms of accountants, Lau & Au Yeung CPA Limited.
(4) No statutory audit is required as the subsidiary is inactive.
(5) No statutory audit is required by law of its country of incorporation.

14 Interest in Subsidiaries (cont'd)

As at 31 December 2019, the accumulated NCI is S$15,768,000 (2018: S$15,838,000), of which S$12,332,000 (2018: S$12,081,000) is for SGB. The NCI in respect of NZL are individually not material.

The following table summarises the financial information (before intragroup eliminations) relating to SGB which has NCI that are material to the Group:

	2019 S$'000	2018 S$'000
Non-current assets	303,716	327,071
Current assets	135,973	112,254
Non-current liabilities	(12,184)	(12,641)
Current liabilities	(34,901)	(41,675)
Revenue	109,794	118,125
Profit for the year	34,602	36,134
Total comprehensive income for the year	24,092	22,210
Profit for the year allocated to NCI	1,112	1,161
Dividends paid/payable to NCI	555	547
Cash flows from operating activities	41,503	56,935
Cash flows used in investing activities	(2,272)	(859)
Cash flows used in financing activities, before dividends to NCI	(15,966)	(31,597)
Net increase in cash and cash equivalents	23,265	23,959

15 Investment Properties

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cost				
At the beginning of the year	406,038	420,395	-	-
Additions	2,355	-	-	-
Currency realignment	(10,252)	(14,357)	-	-
At the end of the year	398,141	406,038	-	-
Accumulated depreciation				
At the beginning of the year	212,546	207,941	-	-
Depreciation charged to cost of sales	11,725	12,025	-	-
Currency realignment	(5,635)	(7,420)	-	-
At the end of the year	218,636	212,546	-	-
Net carrying amount	179,505	193,492	-	-

Investment properties comprise commercial properties namely, The Bund Center office tower and Golden Center retail complex that are leased to third parties under operating leases.

During the current financial year, the direct operating expenses (which include depreciation and repair and maintenance expense) recognised in cost of sales in respect of these operating leases were S$21,109,000 (2018: S$20,489,000).

As at 31 December 2019 and 2018, the fair value of the Group's investment properties is approximately RMB6,872 million, equivalent to S$1,326 million (2018: $1,361 million) based on external valuation reports dated 18 February 2019, prepared by the independent professional valuers, Jones Lang LaSalle Corporate Appraisal and Advisory Limited using the market data approach. Management has made a judgement that the fair value will not differ significantly from the valuation report.

Under the market data approach, the valuation was arrived at by reference to market evidence of transaction prices for properties located in a similar location. The most significant input in this valuation approach is the selling price per unit of floor area.

The fair value has been categorised as Level 2 of the fair value hierarchy (as defined in Note 30(b)).

16 Property, Plant and Equipment

Group	Leasehold land and buildings	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Cost					
Balance at 1.1.2019	268,324	13,395	1,549	14,048	297,316
Additions	-	2	-	1,299	1,301
Written off	-	(12)	-	(8)	(20)
Currency realignment	(6,776)	(338)	(12)	(354)	(7,480)
Balance at 31.12.2019	261,548	13,047	1,537	14,985	291,117
Accumulated depreciation					
Balance at 1.1.2019	119,085	12,189	922	10,972	143,168
Depreciation	7,868	18	259	710	8,855
Written off	-	(12)	-	(7)	(19)
Currency realignment	(3,189)	(306)	(10)	(292)	(3,797)
Balance at 31.12.2019	123,764	11,889	1,171	11,383	148,207
Net carrying amount					
Balance at 31.12.2019	137,784	1,158	366	3,602	142,910
Cost					
Balance at 1.1.2018	277,736	13,869	1,566	13,508	306,679
Additions	72	3	-	1,002	1,077
Written off	-	-	-	(2)	(2)
Currency realignment	(9,484)	(477)	(17)	(460)	(10,438)
Balance at 31.12.2018	268,324	13,395	1,549	14,048	297,316
Accumulated depreciation					
Balance at 1.1.2018	114,647	12,602	664	10,724	138,637
Depreciation	8,581	18	271	634	9,504
Written off	-	-	-	(2)	(2)
Currency realignment	(4,143)	(431)	(13)	(384)	(4,971)
Balance at 31.12.2018	119,085	12,189	922	10,972	143,168
Net carrying amount					
Balance at 31.12.2018	149,239	1,206	627	3,076	154,148

Right-of-use of assets acquired under leasing arrangement are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22 to financial statements.

17 Deferred Tax

Deferred tax balances are presented in the statement of financial position as follows:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Deferred tax assets	3,729	4,099	-	-
Deferred tax liabilities	(3,820)	(2,915)	-	-
Net carrying amount	(91)	1,184	-	-

Deferred tax assets/(liabilities) arise from the following:

Group	Investment properties and property, plant and equipment	Unremitted retained earnings	Total
	S$'000	S$'000	S$'000
Deferred tax assets/(liabilities)			
Balance at 1.1.2019	4,099	(2,915)	1,184
Charged to income statement (Note 9)	(273)	(905)	(1,178)
Currency realignment	(97)	-	(97)
Balance at 31.12.2019	3,729	(3,820)	(91)
Balance at 1.1.2018	4,527	(2,236)	2,291
Charged to income statement (Note 9)	(281)	(679)	(960)
Currency realignment	(147)	-	(147)
Balance at 31.12.2018	4,099	(2,915)	1,184

The Group recognised deferred tax assets on deductible temporary differences attributable to investment properties and property, plant and equipment, as the directors believe it is probable that future taxable profit will be available against which the Group can utilise the benefit therefrom.

As at 31 December 2019, deferred tax liabilities of S$3,820,000 (2018: S$2,915,000) have been recognised for taxes that would be payable on the undistributed earnings of certain foreign subsidiaries as the Group has determined that such earnings will be distributed in the foreseeable future.

At the end of the reporting period, a subsidiary has unrecognised tax losses available for offsetting against future taxable profits amounting to S$15,760,000 (2018: S$14,000,000). The availability of the unrecognised tax losses for set-off against future taxable profits is subject to the tax regulations of the country in which the subsidiary is incorporated. The tax losses have no expiry period. The deferred tax benefit arising from these unrecognised tax losses of S$2,679,000 (2018: S$2,380,000) has not been recognised in the financial statements.

18 Deferred Charges

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cost				
At the beginning of the year	1,691	1,751	-	-
Currency realignment	(43)	(60)	-	-
At the end of the year	1,648	1,691	-	-
Accumulated amortisation				
At the beginning of the year	1,123	1,141	-	-
Amortisation charged to general and administrative expenses	21	24	-	-
Currency realignment	(28)	(42)	-	-
At the end of the year	1,116	1,123	-	-
Net carrying amount	532	568	-	-

19 Trade and Other Payables

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Trade payables	3,610	2,476	-	-
Non-trade payables to:				
- A subsidiary	-	-	353	-
- Third parties	4,102	4,580	-	-
Other taxes payable	2,243	5,328	-	-
Rental deposit received	3,520	3,359	-	-
Accrued expenses	3,680	5,155	299	298
Others	56	56	4	3
	17,211	20,954	656	301
Rental advances received	4,543	5,394	-	-
	21,754	26,348	656	301

As at 31 December 2019, the non-trade payable to a subsidiary was unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
RMB	20,088	24,330	-	-
USD	620	543	-	-
SGD	1,026	1,453	656	301
HKD	20	22	-	-
	21,754	26,348	656	301

20 Obligations under Finance Lease

	Group 2018 S$'000
Minimum lease payments due	
Within one year	78
Between one year to five years	104
	182
Less: Future finance charges	(19)
Present value of minimum lease payments	163

The present value of minimum lease payments is analysed as follows:	
Within one year	70
Between one year to five years	93
	163
Less: Amount due for settlement within 12 months	(70)
Amount due for settlement after 12 months	93

The obligations under finance lease were reclassified to lease liabilities on 1 January 2019 arising from the adoption of IFRS 16 (Note 2(a) and Note 22).

21 Long-Term Liabilities

	Group		Company	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Rental deposits received denominated in RMB	8,814	9,237	-	-
Deferred income denominated in USD	3,370	3,404	-	-
	12,184	12,641	-	-

Deferred income represents pre-operation contribution received.

The fair value of rental deposits received is assumed to approximate their carrying amounts, as the amounts will not be materially different when the Group discharges its obligation upon expiration of the relevant leases.

22 Lease Liability

(a) The Group as a lessee

Nature of the Group's leasing activity and carrying amount of ROU assets

(i) Leasehold Land and Building

The Group has made an upfront payment to secure the right-of-use of 50 years leasehold land, which the Group constructed buildings on it and used them in the Group's leasing activities and hotel operations. These leasehold land and buildings are presented as investment properties and within property, plant and equipment respectively. The carrying amounts, movements during the current financial year and amounts recognised in the income statements of these leasehold land and buildings are disclosed in Note 15 and Note 16 to the financial statements.

22 Lease Liability (cont'd)

(a) The Group as a lessee (cont'd)

Nature of the Group's leasing activity and carrying amount of ROU assets (cont'd)

(ii) Motor Vehicle

The Group has entered into lease of a motor vehicle under finance lease arrangement. On 1 January 2019, the obligations under this finance lease under IAS 17 was reclassified to lease liability arising from the adoption of IFRS 16. The carrying amount of ROU assets classified as motor vehicle within Property, Plant and Equipment amounted to S$189,000 and S$332,000 as at 31 December 2019 and 1 January 2019 respectively.

There is no addition to ROU assets during the current financial year. Amounts recognised in the income statements are as follows:

	Group
	2019
	S$'000
Depreciation charged for the year	143
Interest expenses on lease liability	8
Expenses relating to low-value assets and short-term leases	42

(b) The Group as a lessor

The Group leased out its investment properties to third parties. These leases have varying terms, escalation clauses and renewal rights. Leasing income from investment properties are disclosed in Note 5 to the financial statements. At the end of the reporting period, the total committed rental income in respect of these operating leases are as follows:

	Group	
	2019	2018
	S$'000	S$'000
Within 1 year	39,211	43,769
Between 1 year to 5 years	81,239	112,751
After 5 years	8,140	38,611

23 Share Capital and Treasury Shares

Group and Company	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
			S$'000	S$'000
At the beginning and end of the year	760,489,859	(1,721,027)	105,784	(1,498)

The holder of ordinary shares, except for treasury shares, is entitled to receive dividends as declared from time to time and is entitled to one vote per share at shareholders' meetings. All shares, except for treasury shares, rank equally with regards to the Company's residual assets.

24 Asset Revaluation Reserve

The asset revaluation reserve relates to the revaluation of the Group's investment properties and hotel properties classified as property, plant and equipment prior to the restructuring exercise in 2010. When the revalued properties are sold, the portion of the revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

25 Merger Reserve

Pursuant to a restructuring exercise in 2010, the Company acquired the interest in its subsidiaries and loans for an aggregate consideration of S$410,665,000. This consideration was satisfied in full by the allotment and issuance of 1,520,979,718 ordinary shares of US$0.05 each by the Company at an issue price of S$0.27 per share. The difference of the nominal value of the shares of the subsidiaries acquired over the nominal value of the Company's shares, has been taken to shareholders' equity as "Merger Reserve" and adjusted accordingly in the financial statements.

26 Dividends

	Group and Company	
	2019	2018
	S$'000	S$'000
Dividends paid:		
First and final dividend paid for the previous year of S$0.022 (2018: Nil) per share	16,693	-

At the Annual General Meeting to be held on 27 April 2020, a first and final dividend (tax not applicable) of S$0.01 per ordinary share amounting to S$7,588,000 will be recommended. These consolidated financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2020.

27 Related Party Transactions

The key management personnel compensation is as follows:

	Group	
	2019	2018
	S$'000	S$'000
Directors of the holding company	2,933	3,284
Other key management personnel	1,053	1,121
	3,986	4,405

Included in the above remuneration are post-employment benefits of S$65,467 (2018: S$76,409) for the financial year ended 31 December 2019.

28 Segment Information

The Group's reportable segments are strategic business units that offer different services based on reports reviewed by the Executive Committee. They are managed separately because each business unit requires different marketing strategies. Set out below are the Group's reportable segments:

Hotel – ownership of hotel which is under the management of Westin Hotel Management, L.P; and
Property leasing – ownership and leasing of investment properties.

The following is an analysis of the Group's revenue and profits by reportable segment:

	Segment revenue		Segment profit	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Hotel	56,626	62,742	17,761	20,830
Property leasing	53,721	56,136	44,885	45,092
	110,347	118,878	62,646	65,922
Depreciation and amortisation expenses			(20,601)	(21,553)
Interest income			4,732	4,659
Interest expense			(8)	(8)
Net foreign exchange gain/(losses)			604	(3,166)
Certain administrative expenses not allocated			(4,089)	(3,837)
Profit before income tax			43,284	42,017

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales. Segment profit represents profit generated by each segment prior to allocation of certain administrative expenses, interest income/(expense), depreciation and amortisation and net foreign exchange gain/(loss). This is the measure reported to the Executive Committee, which is the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

An analysis of the Group's segment assets is as follows:

	2019	2018
	S$'000	S$'000
Hotel	146,978	156,641
Property leasing	320,649	312,903
Total segment assets	467,627	469,544
Other unallocated assets	435,690	459,333
Elimination of inter-segment receivables	(411,734)	(429,914)
Total assets	491,583	498,963

An analysis of the Group's segment liabilities is as follows:

	2019	2018
	S$'000	S$'000
Hotel	2,177	3,106
Property leasing	53,712	60,465
Total segment liabilities	55,889	63,571
Other unallocated liabilities	397,848	413,730
Elimination of inter-segment payables	(412,335)	(429,154)
Total liabilities	41,402	48,147

28 Segment Information (cont'd)

Other segment information of the Group is as follows:

	Depreciation and amortisation		Additions to properties, plant and equipment	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Hotel	8,783	11,349	768	949
Property leasing	11,601	9,990	2,886	117
Others	217	214	2	11
	20,601	21,553	3,656	1,077

No segment information by geographical location has been presented as the Group's activities are primarily carried out in the PRC. No information about major customers has been presented as there is no single external customer contributing more than 10% to the Group's revenue.

29 Financial Risk Management

(a) Capital Risk Management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern and to maintain an optimal capital structure so as to maximise the shareholders' value. The Group's overall strategy remains unchanged since 2018.

Neither the Group nor the Company is subject to any externally imposed capital requirements. The directors of the Company review the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. As part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The Group monitors the capital using the net cash/debt position and gearing ratio, if any. Total equity includes all capital, reserves of the Group and non-controlling interests.

The net cash and total equity of the Group as at 31 December 2019 and 2018 are as follows:

	2019	2018
	S$'000	S$'000
Cash and cash equivalents	159,522	141,714
Short-term investments	1,367	1,022
Debts		
- Lease liability	(93)	-
- Obligations under finance lease	-	(163)
Net cash	160,796	142,573
Total equity	450,181	450,816

29 Financial Risk Management (cont'd)

(b) Financial Risk Management

The Group's operations expose it to a variety of financial risks: foreign currency risk, interest risk, price risk, credit risk and liquidity risk.

(i) Foreign Currency Risk

The Group's foreign currency exposures arose mainly from its commercial transactions, recognised assets and liabilities, primarily the exchange rate movements of the United States dollar ("USD"), the Chinese Renminbi ("RMB"), the Hong Kong dollar ("HKD") and the Singapore dollar ("SGD"). The Group did not actively engage in activities to hedge its foreign currency exposures. In addition to transactional exposure, the Group is also exposed to currency translation risk arising from its net investments in foreign operations, including the PRC and Hong Kong. The Group's net investments are not hedged as currency positions in RMB and HKD are considered to be long-term in nature.

The entities within the Group have different functional currencies depending on the currency of their primary economic environment. The following table demonstrates the sensitivity of the Group's profit after tax/equity to a possible change in the respective functional currencies of the Group's entities against USD and RMB with all other variables held constant.

	2019 S$'000	2018 S$'000
RMB/USD - Strengthened by 5%	(554)	151
- Weakened by 5%	554	(151)
HKD/RMB - Strengthened by 5%	(787)	(699)
- Weakened by 5%	787	699
HKD/USD - Strengthened by 5%	(386)	(717)
- Weakened by 5%	386	717

(ii) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk primarily arising from its interest-bearing cash and cash equivalents and finance lease at the end of the current reporting period. Interest rate risk arising from the fluctuation of interest rates has no significant impact on the Group's profit for the year.

(iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to price risk arising from its investments held as financial assets at fair value through profit or loss. The Group monitors the market closely to ensure that the risk exposure to the volatility of the investments is kept to a minimum. At the end of the reporting period, there was no significant exposure to price risk.

(iv) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial asset fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performs regular credit evaluation of its customers' financial conditions and customers may be required to provide security in terms of cash deposits and advances. At the end of the reporting period, there was no significant concentration of credit risks. The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables as disclosed in Note 13 to the financial statement. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, with ratings ranging from Baa2 to AA1. There was no impairment loss recognised on cash and cash equivalents during the current financial year.

29 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(v) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the financial obligations due to shortage of funds. To manage liquidity risk, the Group maintains a level of cash and bank balances and banking facilities deemed adequate by management to finance its operations. In assessing the adequacy of the facilities, management reviews its working capital requirements.

The table below analyses the maturity profile of the Group's non-derivative financial liabilities based on the contractual undiscounted cash flows (inclusive of principals and estimated interests until maturity).

	1 year or less	1 to 5 years	Total
	S$'000	S$'000	S$'000
At 31 December 2019			
Lease liability	78	26	104
Other financial liabilities	17,211	8,814	26,025
	17,289	8,840	26,129
At 31 December 2018			
Obligations under finance lease	78	104	182
Other financial liabilities	20,954	9,237	30,191
	21,032	9,341	30,373

30 Fair Value Measurement

(a) Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, short-term investments, receivables and payables are assumed to approximate their fair values due to their short-term maturities.

(b) Fair Value Hierarchy

The following table presents financial assets that are measured at fair value on a recurring basis and classified by level of the following fair value measurement hierarchy:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices); and
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2019	2018
	S$'000	S$'000
Financial assets at fair value through profit or loss:		
Level 1	1,367	1,022

SHAREHOLDING STATISTICS

AS AT 12 MARCH 2020

AUTHORISED SHARE CAPITAL	: US$500,000,000
ISSUED AND FULLY PAID-UP CAPITAL (including treasury shares)	: US$76,048,986 (S$105,784,139.53)
NUMBER OF SHARES ISSUED (A) (excluding treasury shares and subsidiary holdings)	: 758,768,832
NO. OF TREASURY SHARES HELD (B)	: 1,721,027
NO. OF SUBSIDIARY HOLDINGS HELD (C)	: Nil
PERCENTAGE OF (B) AND (C) AGAINST (A)	: 0.23%
CLASS OF SHARES	: Ordinary shares with a par value of US$0.10 each
VOTING RIGHTS	: One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	447	6.56	23,746	0.00
100 - 1,000	3,166	46.44	1,657,720	0.22
1,001 - 10,000	2,719	39.88	8,497,257	1.12
10,001 - 1,000,000	476	6.97	21,407,307	2.82
1,000,001 & ABOVE	10	0.15	727,182,802	95.84
TOTAL	6,818	100.00	758,768,832	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of shares	%
FLAMBO BUND CENTRE LTD.	637,344,964	84.00
UOB KAY HIAN PTE LTD	38,883,219	5.12
CITIBANK NOMINEES SINGAPORE PTE LTD	33,429,958	4.41
RHB SECURITIES SINGAPORE PTE LTD	6,025,156	0.79
RAFFLES NOMINEES (PTE) LIMITED	4,591,016	0.61
DBS NOMINEES PTE LTD	1,678,185	0.22
UNITED OVERSEAS BANK NOMINEES PTE LTD	1,387,429	0.18
LIM POH KENG (LIN BAOQING)	1,380,575	0.18
DIANAWATI TJENDERA	1,250,000	0.16
HONG PIAN TEE	1,212,300	0.16
CHEE SWEE HENG	612,500	0.08
PHILLIP SECURITIES PTE LTD	536,517	0.07
DBS VICKERS SECURITIES (S) PTE LTD	527,160	0.07
OCBC NOMINEES SINGAPORE PTE LTD	518,748	0.07
HUANG BAOJIA	500,000	0.07
ANG HAO YAO (HONG HAOYAO)	488,826	0.06
LOH MAY-LING	439,400	0.06
LOH WEI-LING	439,400	0.06
DBSN SERVICES PTE LTD	351,337	0.05
ENG KAH JOO	348,000	0.05
Total	**731,944,690**	**96.47**

SHAREHOLDING STATISTICS

AS AT 12 MARCH 2020

SUBSTANTIAL SHAREHOLDERS

	No. of Shares in which they have an Interest				
Name	**Direct Interest**	**Percentage[(1)] (%)**	**Deemed Interest**	**Percentage[(1)] (%)**	**Total Percentage[(1)] (Direct and Deemed Interest) (%)**
FLAMBO BUND CENTRE LTD. ("FlamboBC")	637,344,964	84.00	–	–	84.00
WFMT3 FOUNDATION ("WFMT3")[(2)]	–	–	637,344,964	84.00	84.00

Notes:

1 Percentage calculated based on 758,768,832 issued shares (excluding treasury shares and subsidiary holdings).

2 The deemed interest of WFMT3 arises from its interest in 637,344,964 shares held by FlamboBC in the Company.

Based on the information available to the Company as at 12 March 2020, approximately 16% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

BUND CENTER INVESTMENT LTD
(Incorporated in Bermuda)
(Company Registration Number: 43449)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**Annual General Meeting**") of Bund Center Investment Ltd (the "**Company**") will be held on **Monday, 27 April 2020 at 12 noon** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the year ended 31 December 2019 together with the Directors' and Auditors' reports thereon. **(Resolution 1)**

2. To declare a first and final dividend of S$0.01 per ordinary share for the year ended 31 December 2019. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$281,000 for the year ended 31 December 2019. (FY2018: S$279,312) **(Resolution 3)**

4. To re-appoint the following Directors retiring by rotation pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited:

   (i) Mr. Willy Shee Ping Yah @ Shee Ping Yan **(Resolution 4)**
   (ii) Mr. Chew Yow Foo **(Resolution 5)**

   {please see note 1}

5. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

Renewal of the Share Issue Mandate

6A. "That, pursuant to the Bye-laws of the Company and the Listing Rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"):

(1) authority be and is hereby given to the Directors of the Company to (a) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise, and/or (b) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(2) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, provided that (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) authority be given to the Directors of the Company to issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force;

provided further that:

(i) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) does not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, after adjusting for:

(aa) new Shares arising from the conversion or exercise of any convertible securities;

(bb) new Shares arising from the exercise of share options or the vesting of share awards, provided the options or awards were granted in compliance with the SGX-ST's Listing Manual; and

(cc) any subsequent bonus issue, consolidation or subdivision of Shares.

Any adjustments in accordance with (aa) or (bb) above to be made only in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting as at the date of passing of this Resolution; and

(iii) in exercising the authority so conferred, the Company shall comply with the provisions of the SGX-ST's Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company." *{please see note 2}* **(Resolution 7)**

Renewal of the Share Purchase Mandate

6B. "That:

(a) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("**Shares**") in the share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act, Chapter 50 of Singapore,

and otherwise in accordance with all other laws and regulations of Singapore and Bermuda and the rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the conclusion of the next annual general meeting or the date on which the next annual general meeting of the Company is required by law to be held; or

(ii) the date on which the share purchases are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked;

(c) in this Resolution:

"**Prescribed Limit**" means five per cent. (5%) of the issued ordinary Share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i)	in the case of a Market Purchase:	105% of the Average Closing Price
(ii)	in the case of an Off-Market Purchase:	120% of the Highest Last Dealt Price

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, before the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day of the Market Purchase;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." *{please see note 3}* **(Resolution 8)**

Renewal of the Interested Person Transactions Mandate

6C. "That:

(a) approval be and is hereby given, for the purpose of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions, particulars of which are set out in Appendix 2 to this Notice of Annual General Meeting *{please see note 4}*, with any party who is of the class of interested persons described in Appendix 2, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in Appendix 2 (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company; and

(c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he/she may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." *{please see note 5}*
(Resolution 9)

By Order of the Board

Frankle (Djafar) Widjaja
Director
6 April 2020
Singapore

NOTICE OF
ANNUAL GENERAL MEETING

Notes:

(i) If a Depositor whose name appears in the Depository Register wishes to attend, speak and vote at the Annual General Meeting, he must be shown to have shares of the Company entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**"), not less than 72 hours before the time appointed for the holding of the Annual General Meeting.

(ii) Where a Depositor(s) is a corporation and wishes to be represented at the Annual General Meeting, it must nominate an appointee/appointees ("**Appointee(s)**") to attend, speak and vote as proxy/proxies of CDP at the Annual General Meeting in respect of its shareholdings.

(iii) (a) A Depositor(s) who is not a relevant intermediary may appoint not more than two Appointee(s), who shall be natural persons, to attend, speak and vote in his/her/its place as proxy/proxies of CDP in respect of his/her/its shareholding, by completing the proxy form which is despatched together with this Notice of Annual General Meeting to Depositors (the "**Depositor Proxy Form**") in accordance with the instructions therein. Where such a Depositor(s) wishes to nominate more than one Appointee, he/she must specify in the Depositor Proxy Form, the proportion of the shareholdings to be represented by each Appointee.

(b) A Depositor(s) who is a relevant intermediary may appoint more than two Appointees, who shall be natural persons, to attend, speak and vote in its place as proxies of CDP in respect of its shareholdings by completing the Depositor Proxy Form in accordance with the instructions therein. Where such a Depositor(s) wishes to appoint more than two Appointees, the number and class of shares in relation to which each Appointee has been appointed shall be specified.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

(iv) The completed and signed Depositor Proxy Form must be deposited with the Company at its mailing address at c/o 3 Shenton Way, #17-07 Shenton House, Singapore 068805, no later than 72 hours before the time appointed for the holding of the Annual General Meeting in order for the Appointee(s) to be able to attend and/or vote at the Annual General Meeting.

(v) If a registered holder of Shares ("**Shareholder**") wishes to appoint a proxy or proxies, then the enclosed Shareholder Proxy Form ("**Shareholder Proxy Form**") must be completed, signed and deposited with the Company at its mailing address at c/o 3 Shenton Way, #17-07 Shenton House, Singapore 068805, no later than 72 hours before the time appointed for the holding of the Annual General Meeting in order for the Shareholder's proxy or proxies to be able to attend and/or vote at the Annual General Meeting.

(vi) The completion and return of a Depositor Proxy Form or a Shareholder Proxy Form will not preclude the Depositor or Shareholder concerned from attending and voting in person at the Annual General Meeting.

Additional Notes relating to this Notice of Annual General Meeting:

1. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2019 for further information on each of Mr. Willy Shee Ping Yah @ Shee Ping Yan and Mr. Chew Yow Foo. Mr. Shee is considered to be independent. If re-appointed, he will remain as a member of the Audit Committee.

2. Resolution 7 in item 6A above, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

   For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time Resolution 7 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or the exercise of share options or the vesting of share awards.

3. Resolution 8 in item 6B above, if passed, will renew for another year, up to the next annual general meeting of the Company, the mandate for share purchase as described in Appendix 1 to this Notice of Annual General Meeting, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

4. The mandate for transactions with interested persons as described in Appendix 2 to this Notice of Annual General Meeting includes the placement of deposits by the Company with financial institutions in which interested persons have an interest.

5. Resolution 9 in item 6C above, if passed, is to renew for another year, up to the next annual general meeting of the Company, the mandate for transactions with interested persons as described in Appendix 2, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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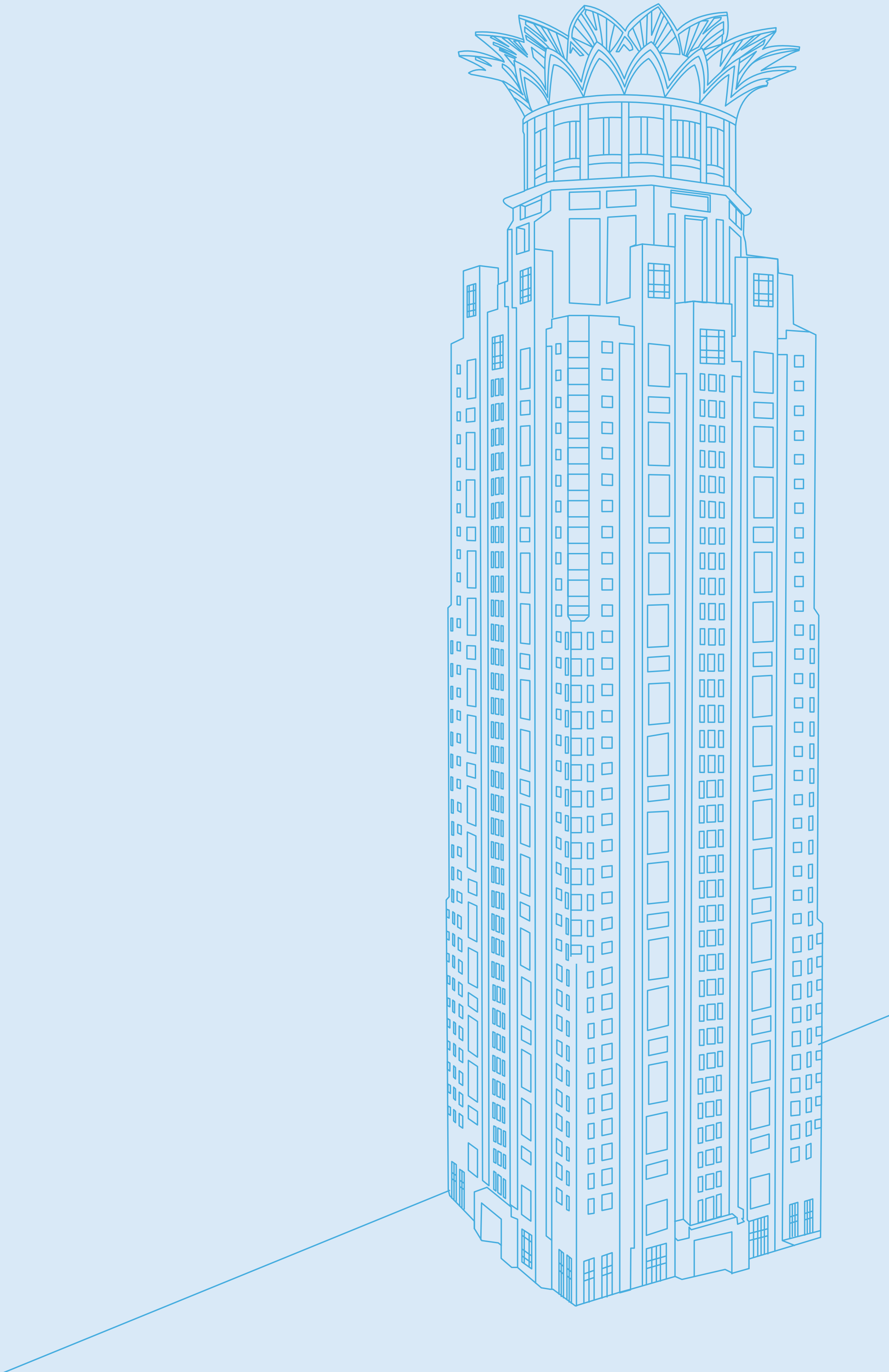

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Listed on the Singapore Exchange

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