

Advancing with Sustainability



Bund Center Investment Ltd
Listed on the Singapore Exchange



**THE WESTIN
BUND CENTER**

World-class luxury hotel
offering premium services

THE BUND CENTER

The Heart of the Bund

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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 the only flagship Westin hotel in Shanghai and managed by Marriott International; 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

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 that contains several retail outlets and a car park.

THE BUND CENTER OFFICE TOWER

1,414,600 sq. ft

Total gross floor area

73.7%

Occupancy in FY2023

THE WESTIN BUND CENTER SHANGHAI

570

Decorated guest rooms

OUR OFFICE TOWER

Our Office Tower with a total gross floor area of approximately 1,414,600 sq. ft, comprises 43 storeys (including the podium) of premium office premises. Being one of the tallest structures in the Bund skyline and its crown rooftop, it is 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 Buildings in China" by China Business Newspaper (中国经营报).

Our Office Tower has sustained an average annual occupancy rate of 73.7% in FY2023 amidst the competitive pressure landscape. This achievement is attributable to several key factors that set our Office Tower apart: its strategic location at the heart of the prestigious Shanghai Bund area, the exceptional Grade A quality of the building, and the added convenience of hosting a five-star Westin Bund Center hotel in the same premises. These distinctive advantages underscore our Office Tower's allure and competitiveness in the market.

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 automated facial recognition and card access security gates.

OUR HOTEL

The five-star Westin Bund Center Shanghai is strategically located in the historical and magnificent Bund area, at the centre of the commercial area of Shanghai and easily accessible to our Office Tower, Nanjing Road Pedestrian Street, shopping malls and fine dining restaurants in the Bund area.

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

It is also one of the hotels frequently involved in staging large-scale corporate and automobile events in Shanghai. Our Hotel has hosted many high-profile events for renowned domestic brands, including electronics, new media enterprises, sporting events, city events, and product launches. It also provides outside 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 as an outstanding hotel by influential global publications. Our reputation for an excellent dining experience has been acknowledged, with numerous significant industry and culinary awards and acclaim received.

Golden Center, Ningbo



The Golden Center complex with a total gross floor area of 1,936,800 sq. ft was 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 southwest side of the junction of Zhongshan East Road and Jiangdong North Road facing the entrance of Jiangxia Bridge in Ying Zhou District (formerly known as Jiang Dong District) of Ningbo, which is one of the major bridges connecting Ying Zhou District (formerly known as Jiang Dong 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 6-storey Golden Center 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		RMB8,337 million ⁽¹⁾ (S\$1,550 million)
(a) Hotel Located at 88 Henan Road Central, Huangpu District Shanghai 200002, PRC			636,100	570 rooms	RMB2,529 million ⁽¹⁾ (S\$470 million)
(b) Office Tower Located at 222 Yanan Road East, Huangpu District Shanghai 200002, PRC			1,414,600	872,600	RMB5,808 million ⁽¹⁾ (S\$1,080 million)
GOLDEN CENTER:		66,500	340,600	168,300	RMB392 million ⁽¹⁾ (S\$73 million)
(a) Golden Center, Ningbo A 6-storey retail complex. Located at 279 Zhongshan Road East, Yinzhou 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					RMB8,729 million (S\$1,623 million)

Note:

(1) Valuation as assessed by the independent valuers, Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch dated 12 March 2024.



Board of Directors



FRANKLE (DJAFAR) WIDJAJA

Executive Chairman and Chief Executive Officer

Present directorships in other Singapore listed companies:
Nil

Other principal commitments:
Nil

Past directorships in other Singapore listed companies (2021 – 2023):
Nil

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 2021. 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 67, 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.

Board of Directors



FRANKY OESMAN WIDJAJA
Non-Executive Director

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 (2021 – 2023):

Nil

Mr. Franky Widjaja is a Non-Executive Director of BCI and a member of its Nominating and Remuneration Committees. He was appointed as Director in September 2009 and his last re-appointment as Director was in 2022.

Mr. Franky Widjaja, aged 66, 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 serves as Director and Chief Executive Officer of GAR since 1996; and Chairman of GAR since 2000. Mr. Franky Widjaja also serves as Director of SML since 1997; and 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 Co-Chairman of Partnership for Indonesia's Sustainable Agriculture (PISAgro); Vice Chairman, Coordinator for Economic Affairs of Indonesian Chamber of Commerce and Industry (KADIN); a member of the Advisory Board of Indonesian Palm Oil Association (GAPKI) and a member of Grow Asia Business Council.



DEBORAH WIDJAJA
Executive Director and
Deputy Chief Executive Officer

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

Nil

Past directorships in other Singapore listed companies (2021 – 2023):

Nil

Ms. Deborah Widjaja, aged 40, is currently the Deputy Chief Executive Officer and Executive Director of BCI, a real estate holding company listed on the Singapore Stock Exchange, as well as serving as Executive Director and Managing Director for its subsidiary real estate company called Shanghai Golden Bund Real Estate Co., Ltd. ("SGB"). Her last re-appointment as a Director was in 2022.

Most recently, Ms. Widjaja led the senior management team at SGB to undergo office lobby renovations and is currently doing the same with the office and hotel exterior landscape architecture at the Bund Center office, together with additional sustainability initiatives.

Prior to working, Ms. Widjaja graduated Magna Cum Laude with a Bachelor of Arts from the University of Southern California in December 2006. She earned the USC Renaissance Scholar award, double majoring in International Relations and Communication, with a minor in Cinema-Television.

Ms. Widjaja is a firm believer of continuous learning. In 2023, she attended a Harvard Business School course, "From Great to Exceptional" and a real estate course at INSEAD. In 2022, Ms. Widjaja completed an entrepreneur course at London Business School and in 2021, she completed the Yale School of Management's Executive Education Women's Leadership Programme, achieving a grade of 100%.

In 2022, Ms. Widjaja was admitted to the Young President's Organization, a global leadership community of Chief Executives to become better leaders and better people. In 2023, she joined the executive committee as Membership Engagement Officer.

In 2022, Ms. Widjaja co-founded and is a champion of Women Venture Asia, a Women's Non-Profit which aims to create a more inclusive entrepreneurial ecosystem for women entrepreneurs, investors and business leaders with a shared purpose of addressing the gender gap in entrepreneurship. She also volunteers at Daughters of Tomorrow, another Non-Profit that aims to facilitate livelihoods of economically challenged women.

Board of Directors



CHEWYOW FOO
Executive Director and
Chief Financial Officer

**Present directorships in
other Singapore listed companies:**

Nil

Other principal commitments:

Nil

**Past directorships in other Singapore
listed companies (2021 – 2023):**

Nil

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 2023. Mr. Chew sits on the boards of several subsidiaries of BCI.

Mr. Chew, aged 64 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.



LIM JUN XIONG, STEVEN
Lead Independent Director

**Present directorships in
other Singapore listed companies:**

- Baker Technology Limited
- CosmoSteel Holdings Limited
- Livingstone Health Holdings Limited
- Riverstone Holdings Limited
- Sinarmas Land Limited

Other principal commitments:

Nil

**Past directorships in other Singapore
listed companies (2021 – 2023):**

Emerging Towns & Cities Singapore Ltd.
Hong Fok Corporation Limited
Keong Hong Holdings Limited
Mirach Energy Limited

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. At the Annual General Meeting held in April 2021, Mr. Lim successfully obtained a two-tier shareholder approval for his continuation as an Independent Director of BCI.

Mr. Lim, aged 68, 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 Trust 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 including asset protection and estate & 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.

Presently, Mr. Lim is an Independent Director of Baker Technology Limited, CosmoSteel Holdings Limited, Livingstone Health Holdings Limited, Riverstone Holdings Limited and Sinarmas Land Limited, all of which are listed on the Official List of the Singapore Exchange Securities Trading Limited.

Board of Directors



WILLY SHEE PING YAH
Independent Director

Present directorships in other Singapore listed companies:

- Sinarmas Land Limited
- Golden Agri-Resources Ltd

Other principal commitments:

- CBRE Pte Ltd (Senior Advisor)

Past directorships in other Singapore listed companies (2021 – 2023):

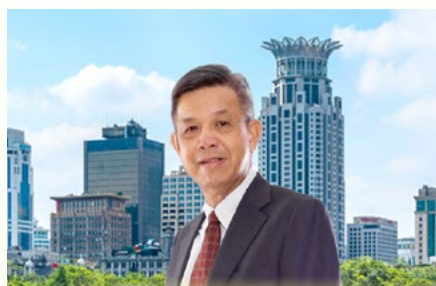
Sabana Real Estate Investment Management Pte Ltd
(as Manager of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust)

Mr. Willy Shee Ping Yah 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 BCI since February 2010. At the Annual General Meeting held in April 2021, Mr. Shee successfully obtained a two-tier shareholder approval for his continued appointment as an Independent Director of BCI.

Mr. Shee sits on the board of BCI's subsidiary, Shanghai Golden Bund Real Estate Co., Ltd.

Mr. Shee, aged 75, 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, a Fellow Member of the Singapore Institute of Directors, and sits on the Panel for Inquiry Committee, Law Society of Singapore. He is also a Committee Member / Honorary Secretary / Honorary Steward of Singapore Turf Club.

Mr. Shee is currently Senior Advisor to CBRE Pte Ltd in a non-executive role since July 2016, after stepping down as the Chairman, Asia of CBRE Pte Ltd with oversight over the operations of all the offices of CBRE in Asia, a position which he held from 1 July 2005 to 30 June 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.



FOO MENG KEE
Independent Director

Present directorships in other Singapore listed companies:

Nil

Other principal commitments:

M K Capital Pte Ltd (Principal owner)
M K Marine Pte Ltd (Principal owner)

Past directorships in other Singapore listed companies (2021 – 2023):

Golden Agri-Resources Ltd

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, and his last re-appointment as a Director was in 2022.

Mr. Foo, aged 74, 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. As Managing Director of Hitachi Zosen Singapore Limited (now known as Keppel Shipyard Limited), Mr. Foo led in the company's then listing on the main board of the Singapore Stock Exchange. He was with the company from 1976 to 1998.

Chairman's Statement



“The Group will continue its flexible room rate strategy to capture the expected rebound in the hospitality market and monitor the business developments and adjusting its business strategies on attracting potential tenants and retaining existing tenants for its investment properties”

FRANKLE (DJAFAR) WIDJAJA
Executive Chairman and
Chief Executive Officer

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the annual report of Bund Center Investment Ltd (“BCI” or the “Company”) and its subsidiaries (the “Group”) for the financial year ended 31 December 2023 (“FY2023”).

GROUP PERFORMANCE

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.

In the current year, the Group's leasing income decreased marginally to S\$39.4 million, largely affected by the translation impact resulting from the devaluation of the Chinese Renminbi and intense market competition. Despite these challenges, the Group achieved an average annual occupancy rate of 73.7% for the Bund Center Office Tower, demonstrating its resilience in weathering such competitive storms.

The hotel revenue increased by 132.8% to S\$44.5 million in the current year primarily due to higher hotel occupancy and room rates in line with increased demand from both domestic and international travellers, as well as the resumption of exhibition and convention activities in Shanghai. The hotel operations recorded a higher occupancy rate and average room rate of 77.8% and RMB 1,106 respectively in FY 2023.

Chairman's Statement

As at 31 December 2023, the Group's total liabilities decreased by S\$0.3 million to S\$34.5 million as at the end of 2023 mainly due to lower deferred tax liabilities and lower rental deposits received, partially offset by higher accrued operating expenses.

Cash and cash equivalents were slightly higher at S\$151.5 million as compared to S\$150.6 million in the previous financial year mainly due to higher cash generated from operating activities of S\$33 million, net of cash used for capital expenditure of S\$4.3 million and payment of total dividends of S\$22.3 million during the financial year.

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

OUTLOOK

The hotel industry in China has seen a steady recovery over the past three quarters, amidst the post-pandemic boom in leisure travel that fuelled demand for hotels and pushed up room rates. The Group will continue its flexible room rate strategy to capture the expected rebound in the hospitality market, focusing on the hotel's distinctive well-being program and local attractions for both domestic and international markets.

The operating environment for our leasing operations remains highly competitive. An oversupply of office space in Shanghai and weak leasing demand, owing to the slower-than-expected overall economic recovery, have led to a highly competitive leasing market and thus downward pressure on leasing rates. Nonetheless, the Group will continue to monitor its business developments and adjust its business strategies to attract potential tenants and retain existing tenants for its investment properties.

SUSTAINABILITY

We continue to act progressively on our sustainability efforts to deliver value and best practices to reduce our environmental impact and provide more significant social benefits.

We have reinforced our commitment to sustainability management by initiating various environmental-related initiatives. Our landscape urban renewal project for Shanghai's renowned Bund Center seeks to establish an "Office in Nature," fostering a work environment for the future that is green, livable, sustainable, and surrounded by lush gardens. Through the enhancement and expansion of green areas across the development, our objective is to positively influence the daily lives of our occupants and contribute to the overall urban fabric of Shanghai. This initiative aligns with our unwavering commitment to sustainability.

We also proactively manage our impacts on the well-being of people in the communities and aim to enhance the welfare of the societies where we operate, allowing them to prosper and thrive.

Our efforts towards the United Nations Sustainability Development Goals will be elaborated in the Sustainability Report. This report is scheduled for publication on our corporate website later this year. In an effort to protect the environment, we will not print any hard copies of report.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my sincere appreciation to our shareholders, business associates, and all our stakeholders for their support in this difficult time. I would also like to thank our management team for their hard work and perseverance throughout the year.

DIVIDEND

We remain committed to rewarding our loyal shareholders for their unwavering support. Accordingly, the Company paid an interim cash dividend of 2.8 Singapore cents per ordinary share on 8 September 2023. The Board is not recommending the payment of a final dividend for FY2023.

Operations Review



The Bund Center

Office Tower

Bund Center Office Tower has always been recognised as one of the most prestigious office buildings serving world-renowned multinational corporations.

THE BUND CENTER OFFICE TOWER

73.7%

Occupancy Rate in FY2023



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 2023, the Bund Center successfully secured six renewal agreements and seven new tenants, with distinguished tenants such as Deloitte and Keller and Heckman Law Firm choosing to continue their tenancy, underscoring the property's ability to strategically retain key occupants. Boosting a distinctive crown rooftop, the Bund

Center stands as a prominent fixture in the Bund skyline, offering office spaces of international standard and high quality. The property management of the building is managed with consultation to Cushman & Wakefield. The building hosts a distinguished lineup of tenants, including prominent multinational corporations such as Deloitte, CMA CGM Shipping, Herbert Smith Freehills Law Firm, Jin Mao Law Firm, Bai Hui Law Firm, and consulates of Norway and South Africa, highlighting its appeal to international organizations.

Despite the extremely competitive leasing environment and challenges posed by the lower market-average leasing rates, the Office Tower has managed to sustain an average occupancy rate of 73.7%. This reflects its ongoing appeal and resilience in the current prevailing market.

Operations Review



Enhancing service quality and upgrading facilities remain paramount objectives in our building operations and management strategy.

We have consistently prioritized providing personalized services to our tenants, ensuring their needs to be met promptly and fostering a community atmosphere through a diverse array of music performances and exciting events in 2023.

Our dedication to facility enhancement has resulted in comprehensive upgrades to the buildings' mechanical and electrical infrastructure, ensuring peak operational efficiency. The revitalization of shared spaces, including corridors and restrooms, has markedly enhanced the quality of the workplace environment. Furthermore, the diverse culinary selections available in the staff cafeteria and the Japanese restaurant

located in the basement offer tenants a wide range of budget-friendly and convenient delicious meal choices.

A comprehensive refurbishment of the Office Tower's public spaces, including a modernized lobby and the introduction of new entrances, along with automated facial recognition and gating systems was completed in 2022. Additionally, our commitment to sustainability and tenant well-being were affirmed by achieving the Leadership in Energy and Environmental Design (LEED) Platinum certification from the U.S. Green Building Council, along with the WELL Building Standard certification. These awards underscore our focus on environmental responsibility and the health and comfort of our tenants.

In 2023, we embarked on a comprehensive landscaping project to enhance beautifying our external surroundings, focusing on expanding

green spaces, introducing vibrant plant life, and adding more outdoor seating and communal interactive areas. This initiative not only boosts the aesthetic and functional appeal of our premises but also underscores our commitment to environmental sustainability and the well-beings of our tenants.

These strategic enhancements have remarkably improved our service offerings and facility standards, heightened energy efficiency, and elevated tenant satisfaction, making us a distinctly competitive advantage in experiencing an unprecedented market over-supply of office spaces. Moreover, the increased frequency and variety of marketing and promotional events hosted in the office lobby have injected a vibrant dynamism into the Office Tower, reinforcing our market prominence and attractiveness as an iconic landmark building in the heart of the Bund.

The Westin Bund Center Shanghai

Hotel



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

The Hotel continues to receive numerous awards for its food and service, including winning the award of Best Sunday Brunch by prestigious media. Furthermore, The MICHELIN GUIDE Shanghai has listed its Prego Italian Restaurant as "MICHELIN Guide Selected 2019-2023".

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

The Hotel continues to receive many hotel awards:

- Nominated in **"Must-Stay Hotels List"** by 2023 Amap Guide
- **"Star Hotel"** by Fliggy Travel 2023
- **"Best Customer Engagement with Messages"** by Expedia group 2023
- **"Hotel Brunch of the Year"** by Timeout Hospitality Awards 2023
- **"Hotel Brunch of the Year"** by That's Food & Drink Awards 2023
- **"Favorite Buffet"** by Chope 2023
- The Stage won **"2023 Golden Restaurant"** by Trip.com Gourmet

- **Prego Italian Restaurant** listed by The MICHELIN GUIDE Shanghai as **"MICHELIN Guide Selected 2019-2023"**
- **"The MICE Hotel of the Year"** by City Travel Hotel Awards 2023
- **"Best Meeting Hotel in China"** by M&C Asia Stella Awards 2023
- **"Best Business Hotel in Beijing/Shanghai"** by 2023 TTG China Travel Awards for nine consecutive years
- **"Outstanding Employer"** by 2023 China Hotel Tourism Annual Award Review Committee
- Compliance Award 2023 by Marriott International

2023 was the year of recovery after three years of being held hostage by the effects of COVID-19. Affected by national and international political and economic challenges, most business recovery stems from national business, though international is growing steadily.

We continued upkeep and maintenance of the property to enhance the Hotel's reputation and enable it to compete with the market. To offer guests the highest service levels, the Grand Tower air conditioning piping reconstruction project was carried out in 2023, along with replacing the outlets' kitchen equipment and refurbishing furniture. We have also focused and carried out a sustainability project on a joint-construction chiller upgrade project

for low carbon and energy-saving transformation.

Our catering team has adopted many sustainable initiatives, such as replacing plastic-wrapped candies with wrapped candies and plastic bottles with carton containers. Reduction of food waste remains one of our targets as well. Our new 3-tier catering sustainable event packages are ideal for corporations operating a responsible business and being eager to offer their guests an unforgettable eco-friendly experience. Let us go "Green" promote the eco-friendly value of each event.

Besides taking care of guests, the Hotel is concerned about associates' welfare by replacing frontline associates' uniforms and staff canteen kitchen equipment in 2023.

About associates' activities, we accelerated our efforts, organized appreciation week in May, quarterly town hall meetings, rewarding associates and trainee dialogues with the General Manager, bi-monthly birthday party, etc. These activities eventually paid off. With 94%, we achieved a remarkable result on the Associate Engagement Leadership Survey and a record-low annual turnover of 17.6%, all those successes in a very challenging labour market situation with associate shortages throughout all hotels and catering services.



Golden Center, Ningbo

Retail

Given the highly competitive business environment in which the Golden Center operates, marked by the rise of the large-scale malls and the popularity of online shopping, the Group strategically partnered with an Anchor Tenant to lease the entire Golden Center for retail business operations in 2021. This strategic move has enabled the Group to concentrate on advancing the core business growth of Bund Center, optimising the deployment of human resources for enhanced profitability.



For 2024

Outlook

China's economy is anticipated to experience steady and robust growth in 2024, with projections from the Bulletin of the Chinese Academy of Sciences (CAS) Center for Forecasting Science indicating a GDP growth rate of approximately 5.3%. Additionally, China Immigration Administration officially implemented measures to facilitate the entry of foreign nationals into China, effective in early January 2024. These measures include relaxing visa application requirements

and simplifying visa application process. This initiative signifies China's accelerating pace of opening-up to the international community. It is anticipated that these measures will ease travel for business, education, and tourism purposes. Consequently, the hospitality sector is expected to experience stable growth in 2024.

The operating environment for our leasing operations remains highly competitive. Factors such as an

oversupply of office space in Shanghai and subdued leasing demand have intensified competition in the leasing market, exerting downward pressure on rates. Despite these challenges, the Group remains committed to vigilantly tracking business trends and refining its strategies to both attract new tenants and retain current ones within its investment properties.

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
(Independent Director)

Foo Meng Kee
(Independent Director)

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

Willy Shee Ping Yah (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
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,
Hamilton HM 11, Bermuda
Tel: +1 (441) 295 5950
Fax: +1 (441) 292 4720

CORRESPONDENCE ADDRESS

c/o 3 Shenton Way, #17-07
Shenton House, Singapore 068805
Tel: (65) 6220 0162
Fax: (65) 6220 0269

BERMUDA SHARE REGISTRAR

Conyers Corporate Services
(Bermuda) Limited
Clarendon House, 2 Church Street,
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SINGAPORE SHARE TRANSFER OFFICE AND SHARE TRANSFER AGENT

B.A.C.S. Private Limited
77 Robinson Road, #06-03
Robinson 77, Singapore 068896
Tel: (65) 6593 4848

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: Daphne Aw Ai-Mei
(Appointed during the financial year
ended 31 December 2023)

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 the long-term value of the Group to its shareholders and other stakeholders, with guidance from the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (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.

Described in this report, is the Company's corporate governance practices and structures in place during the financial year ("FY") ended 31 December 2023 ("FY2023").

The principles of the Code are set out in italics in this report. Where the Company's practices vary from provisions of the Code, specific disclosures will be provided.

(I) BOARD MATTERS (PRINCIPLES 1 TO 5)

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, and works with Management to enhance the long-term success of the Group.

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.

Corporate Governance Report

1.2 Scope of Director Duties, Code of Conduct, and Policy on Directors' Conflicts 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. For new Directors, training is compulsory if a Director is appointed for the first time to a Singapore listed company.

Directors are regarded as Executive, Non-executive and Independent according to their differing roles, although all Directors have the same statutory duties. All Directors have taken note of the different roles they have in the Company.

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' Conflicts of Interest setting out guiding principles for Directors when faced with an actual or potential conflict of interest situation. If uncertain about the possibility of a conflict, Directors should discuss and seek advice.

1.3 Training and Development of Directors

Directors are provided with opportunities to develop, maintain and upgrade their skills and knowledge. To this end, the Board has approved a framework for Directors' training and to fund any Director's participation/attendance at seminars and training programmes that are relevant to his/her duties as a Director. The NC reviews the training programme annually which also sets out SID's calendar of professional development for that year. The Company provides administrative support that facilitates with Director's training arrangements.

The Director's overall training framework 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, sustainability and other relevant topics subject to course availability;
- (2) Management updates on operations and industry-specific trends and development; and
- (3) Continuing education on regulatory changes and updates, including extraction of relevant case studies on corporate governance, and external auditors' briefings on changes to accounting standards and issues.

1.4 Training and Orientation for New Directors

As a standard procedure, newly appointed Directors will be issued with a formal appointment letter setting out the terms of appointment, general duties and obligations including expectations of the Company. They will also be given the current year's meeting schedule, contact particulars of senior Management, relevant governing documents of the Company and a web address to the Listing Manual. Those without prior experience as a director of a Singapore listed company, are required to attend the Listed Entity Director ("LED") programme comprising several modules, being SGX-ST's prescribed training on the roles and responsibilities as a director of a listed company in Singapore, conducted by the Singapore Institute of Directors ("SID"), or that conducted by the Institute of Singapore Chartered Accountants and SAC Capital. All new Directors are also required to undertake to comply with the listing rules of the SGX-ST.

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.

Corporate Governance Report

1.5 FY2023 External Training for Directors

During 2023, Directors attended various external training sessions listed below. Having attended these trainings, Directors in turn, shared their key takeaways with their fellow Directors at a subsequent Board meeting.

- (1) ACRA-SGX-SID Audit and Risk Committee Seminar 2023: Sustainability: Opportunities, risk and governance (January 2023);
- (2) SID Fellows Evening 2023 (May 2023);
- (3) Council for Diversity Roundtable: Beyond Board Diversity Disclosures (July 2023);
- (4) Singapore Governance and Transparency Forum - Upholding ESG with Strong Governance (August 2023); and
- (5) SGX RegCo - Climate Reporting Fundamentals for ListCos (November 2023).

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 Committee¹ ("AC"), the Nominating Committee² ("NC") and the Remuneration Committee³ ("RC") with written terms of reference which clearly set out the authority and duties of each committee. The Board will review the composition of the Board Committees when there are changes to the Board membership.

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.

¹ See item 10.1

² See item 4.1

³ See item 6.1

Corporate Governance Report

1.8 Composition of the Board and Board Committees

Presently, 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 of Director	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	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

Key information, including qualifications, on the Directors are found on pages 6 to 9 of this Annual Report.

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 and on short notice, if requested or if warranted by circumstances deemed appropriate by the Board and/or Board Committees. 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 may require the Board's 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.

Corporate Governance Report

1.10 Number of Meetings Held in 2023 and Attendance Record

In 2023, the Board met 4 times, with the year-end meeting focusing on annual budget and strategic issues; the Board Committees met a total of 11 times; and 1 shareholders' meeting being the annual general meeting ("AGM") was held. During 2023, with the easing of COVID-19 restrictions in Singapore, the Board and Board Committees resumed most of their meetings in person. Directors who could not attend these meetings in person participated via electronic means. The Company's AGM in 2023 was conducted by electronic means via a "live" webcast, including "live" Q&A session and "live" voting.

The number of Board and Board Committee Meetings held, including the AGM, and the attendance record of Directors and Board Committee Members respectively, in 2023 is disclosed in the Attendance List below:

Name of Director	Number of Meetings Attended by Members					Total Attendance
	Board Meeting	AC Meeting	NC Meeting	RC Meeting	AGM	
EXECUTIVE DIRECTORS						
Frankle (Djafar) Widjaja	4/4	-	-	-	1/1	5/5
Deborah Widjaja	3/4	-	-	-	1/1	4/5
Chew Yow Foo	4/4	-	-	-	1/1	5/5
NON-EXECUTIVE, NON-INDEPENDENT DIRECTOR						
Franky Oesman Widjaja	3/4	-	3/4	2/2	1/1	9/11
NON-EXECUTIVE, INDEPENDENT DIRECTORS						
Lim Jun Xiong, Steven	4/4	5/5	4/4	2/2	1/1	16/16
Willy Shee Ping Yah	4/4	5/5	4/4	2/2	1/1	16/16
Foo Meng Kee	4/4	5/5	4/4	2/2	1/1	16/16
Number of Meetings Held	4	5	4	2	1	16

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. Management also provides additional information which Directors may request for, during Meetings.

As Directors prepare for a Meeting by, inter alia, reviewing the Meeting Papers and agenda items prior thereto, it has become a standard procedure that materials for each Board, Board Committee and Shareholders' Meeting are sent to Directors beforehand, and uploaded to a digital Board portal, which Directors may access from their tablets or desktops.

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.

Corporate Governance Report

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, and the Company arranges for meetings with Senior Management upon request from the Director(s).

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.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it 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:

- (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 or her independence.

Corporate Governance Report

The 3 Independent Directors have declared 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 accounting and finance, business and management experience, industry 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 any Independent Director, the Non-executive, Independent Directors meet amongst themselves without the presence of other Executive Directors and Management. After these discussions, they could highlight to Management any matters requiring its attention.

2.3 Lead Independent Director

The AC Chairman acts as a Lead Independent Director ("LID"). The 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.

Corporate Governance Report

2.4 Board Diversity

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 and the Board's needs.

Our Directors have served on the Board for different tenure, and their ages ranged from early 40s to more than 70 years old. More than half of the Board comprises Directors with relevant industry experience in the real estate sector. Whilst there is currently one female Board member, the NC plans to increase Board female representation by adding another female Director to make up at least 25% of Board members in 2024.

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 NC and the RC. 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 (NC Chairman)
Lim Jun Xiong, Steven
Foo Meng Kee
Franky Oesman Widjaja

Corporate Governance Report

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

- (a) reviewing and recommending the selection, appointment and re-appointment 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;
- (f) reviewing and approving any new employment of related persons and the proposed terms of their employment; and
- (g) setting objectives and timelines to achieve Board diversity and monitoring the progress towards such objectives.

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 mostly sourced with recommendations from Directors or Management. Upon the NC's recommendation, the Board approves the new appointment.

Shortlisted candidates would be required to furnish their curriculum vitae containing information such as their academic / professional qualification, employment history and experience. 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 function, effectiveness and diversity.

The NC refers 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. The requirement to maintain at least 2 Singapore-resident Independent Directors is also factored in during the selection process.

4.3 Director Independence Review

The Board has adopted the definition of "independence" in both the Code and the Listing Manual, 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.

Corporate Governance Report

Both Mr. Lim Jun Xiong, Steven ("Mr. Lim") and Mr. Willy Shee Ping Yah ("Mr. Shee") have served as a Non-executive, Independent Director beyond 9 years.

At the AGM held on 26 April 2021, each of Mr. Lim and Mr. Shee successfully obtained 2-tier Shareholder approval under the then Rule 210(5)(d)(iii) of the Listing Manual for his continued appointment as an Independent Director, such approval to remain in force until the earlier of each of his retirement or resignation as a Director or the conclusion of the third AGM following the said approval.

Subsequently, as announced by SGX-ST in January 2023, a hard tenure limit of 9 years for independent directors was introduced, and Rule 210(5)(d)(iii) was deleted. Accordingly, under Transitional Practice Note 4 of the Listing Manual, Mr. Lim and Mr. Shee may continue to be considered independent until the conclusion of the 2024 AGM.

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 Rule 210(5)(d)(iv) read with Transitional Practice Note 4 of the Listing Manual regarding Independent Directors who have served more than 9 years, the NC / Board has considered that the following 3 Directors are regarded as Independent Directors of the Company, where Mr. Lim and Mr. Shee are considered as independent until the conclusion of the 2024 AGM:

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

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

4.4 Re-appointment and Retirement at 2024 AGM

(a) Re-appointment of Director under the Listing Manual

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

Mr. Frankle (Djafar) Widjaja, who, being eligible, has offered himself for re-appointment at the 2024 AGM under R720.

The NC has recommended Mr. Frankle (Djafar) Widjaja's re-appointment as a Director at the 2024 AGM.

In its deliberation on the re-appointment of retiring Director who, being eligible, has offered himself for re-appointment, the NC takes into consideration the Director's attendance, participation, contribution, commitment and performance during the previous year.

Each member of the NC will abstain from participating in deliberations and voting on any resolutions in respect of his re-appointment as Director.

Corporate Governance Report

(b) Retirement of Independent Directors with More than 9 Years Service

Both Mr. Lim and Mr. Shee, each having served as a Non-executive Independent Director of the Company for more than 9 years, will not be seeking for re-election, and will each retire as a Director at the conclusion of the 2024 AGM. The NC/Board has accepted their decision. Accordingly, Mr. Lim and Mr. Shee shall cease to be a Director at the conclusion of the 2024 AGM.

The Board wishes to thank both Mr. Lim and Mr. Shee who joined in 2009 and 2010 respectively for their dedication and service to the Company. The NC/Board will be appointing new independent directors.

4.5 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 or 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 or 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 2023. 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 6, 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 Assessing Performances

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 Board Committees, and acts, where appropriate, on feedback from Board / Board Committee 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 / Board Committees, based on pre-determined approved performance criteria.

Corporate Governance Report

(II) REMUNERATION MATTERS (PRINCIPLES 6 TO 8)

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
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.

Corporate Governance Report

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.

Total compensation for top Executives is also benchmarked against that by other comparable Singapore listed companies.

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.

Corporate Governance Report

The RC, with the concurrence of the Board, has recommended Directors' Fees to be paid to the Non-executive, Independent Directors, as follows:

- (i) an amount of S\$297,500 as Directors' Fees be paid to the Non-executive, Independent Directors for FY2023; and
- (ii) an amount of S\$63,540.98 being an aggregate of the pro-rata Director's fees for the period from 1 January 2024 to 23 April 2024, be paid to Mr. Lim and Mr. Shee.

The above fees will be tabled for shareholders' approval at the 2024 AGM. Subject to shareholders' approval at the 2024 AGM, these Directors' Fees will be paid in 2024.

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.

Principle 8: Disclosure of 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 FY2023 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	65.2%	34.8%	-	100%
S\$500,000 to below S\$750,000				
Chew Yow Foo	64.4%	35.6%	-	100%
Deborah Widjaja	65.5%	34.5%	-	100%
NON-EXECUTIVE, INDEPENDENT DIRECTORS				
Below S\$250,000				
Lim Jun Xiong, Steven	-	-	100%	100%
Willy Shee Ping Yah	-	-	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.

Corporate Governance Report

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 Director's remuneration package.

8.2 Remuneration of Key Management Personnel

The top 5 key management personnel of the Group who are not Directors of the Company ("KMP") for FY2023 and their remuneration falling in bands of S\$250,000, are as follows:

Richard Ernest Deutl
Hor Chai Yuen
Frank Alexander Woldgang Walter
Lily Chen
Laura Yu

Remuneration Band	Number of KMP
S\$250,000 to S\$500,000	1
Below S\$250,000	4

The total remuneration paid to the top 5 KMP for FY2023 amounted to S\$924,754.

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 or a Substantial Shareholder of the Company

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 FY2023.

Corporate Governance Report

(III) ACCOUNTABILITY AND AUDIT (PRINCIPLES 9 TO 10)

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
Richard Ernest Deutl	-	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.

Corporate Governance Report

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 internal 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/half yearly 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 the CFO have given written assurance to the Board, as follows:

(a) Financial Records

The financial records of the Group for FY2023 have been properly maintained and the FY2023 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, compliance and information technology controls, and risk management policies and systems in place within the Group for FY2023 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 ERM.

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 45 of this Annual Report.

Corporate Governance 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 the 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.

As cybersecurity threat continues to evolve and becoming greater in the last few years, the Group has progressively implemented gradual solutions that address data and cybersecurity risks. The Group adopts a holistic approach in its cybersecurity initiatives, not just from information technology angle, but also from a risk and compliance perspective to ensure that controls and mitigations are adequately established.

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 ("AC") 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
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.

Corporate Governance Report

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.

Corporate Governance Report

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 has been delegated to assist the Board in the oversight of ERM and sustainability practices.

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 separately with the internal 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 audited financial statements of the Group for FY2023 ("FY2023 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 FY2023 Financial Statements. The Board has on 14 March 2024 approved the FY2023 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 FY2023 Financial Statements on page 69 of this Annual Report. The external auditors did not provide any non-audit services to the Group during FY2023.

The AC has reviewed the Audit Quality Indicators of the external auditors for FY2023. The AC has recommended to the Board that the external auditors be nominated for re-appointment at the 2024 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.

Corporate Governance Report

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 employees may, in confidence and without fear of retaliation, bring to the AC's attention, concerns or complaints about possible improprieties relating to matters of financial reporting or other matters including fraud, corruption and misconduct.

The AC is responsible for oversight and monitoring of whistle-blowing.

Under these procedures, the AC may, if it deems appropriate, engage appropriate external independent advisors, at the Company's expense, to independently investigate concerns or complaints made in good faith, and to take appropriate follow-up actions.

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

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 evaluate and improve the effectiveness of governance, risk management and control processes.

The AC approves the hiring and removal of the Head of Internal Audit and ensures that the internal audit function is adequately staffed and trained, and has appropriate standing within the Company. It also ensures the adequacy and effectiveness 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. Every quarter, the AC reviews and discusses with Management, internal audit findings, recommendations and status of remediation, at AC meetings.

The internal auditors have unfettered access to the Group's documents, records, properties and personnel, including communication with the AC. The AC has met the Head of Internal Audit without the presence of Management and given the opportunity to discuss unreservedly any issue or concern affecting the internal audit function.

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

Corporate Governance Report

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 FY2023.

(IV) SHAREHOLDER RIGHTS AND ENGAGEMENT (PRINCIPLES 11 TO 12)

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 materially impact the Company's share price or value.

All shareholders of the Company are entitled to attend and vote at general meetings. 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, notice of AGM and accompanying documents and communications are released via SGXNET which are also made available on the Company website¹, and all shareholders of the Company receive a printed letter on how to access the said documents. They also receive the printed notice of AGM, proxy form and request form for printed version of the annual report and appendices.

¹ <https://bundcenter.com/en/financial/>

11.2 Conduct of Shareholder Meetings

The Company conducted its 2023 AGM held on 24 April 2023 ("2023 AGM"), by electronic means via a "live" webcast, which included "live" Q&A session and "live" voting. Shareholders had participated in the 2023 AGM by attending the "live" webcast. Shareholders had also appointed proxies to attend and vote on their behalf at the 2023 AGM. Shareholders were given the opportunity to communicate their views and to engage the Board and Management on the Group's business activities and financial performance by submitting textual questions, in advance of and "live" during the 2023 AGM. The Company had addressed shareholders' substantive and relevant questions submitted prior to the 2023 AGM, as well as those received "live" at the 2023 AGM, and the Company's responses were published on SGXNET. All the Directors attended the 2023 AGM. The external auditors, Singapore Share Transfer Agent and Poll Agent, and Scrutineer were also present at the 2023 AGM.

Corporate Governance Report

At shareholders' meetings, each distinct issue is proposed as a separate resolution.

Results of the voting were published on SGXNET after the 2023 AGM as well as presentation slides. The Minutes of the 2023 AGM which made reference to substantive and relevant questions received "live" at the 2023 AGM and response from the Company were also released on SGXNET within one month of the event.

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.

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.

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.

Following amendments to the Listing Manual on quarterly reporting, effective 7 February 2020, the Company was not required to make mandatory quarterly announcements of its financial results, and consequently its financial results for the first half of FY2020 was announced in August 2020. Subsequently, in November 2020, the Company reverted to quarterly reporting of its financial statements in accordance with Appendix 7.2 of the Listing Manual, starting from the third quarter ended 30 September 2020, on a voluntary 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 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.

Corporate Governance Report

(V) MANAGING STAKEHOLDER RELATIONSHIPS (PRINCIPLE 13)

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. Throughout the reporting period, we have engaged external stakeholders through virtual channels, such as annual surveys, virtual shareholder meeting, dialogue sessions with the local community, customer satisfaction surveys, engagement of local communities through education and healthcare initiatives, and our work with various government entities on public healthcare.

More details of our shareholders' engagement can be found in our Sustainability Report which will be published later.

(VI) 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 an 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.

(VII) INTERESTED PERSON TRANSACTIONS

There were no relevant interested person transactions entered into for FY2023.

Corporate Governance Report

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

Information relating to Director seeking re-election at the 2024 AGM is as follows:

Name of Director	Frankle (Djafar) Widjaja ("FDW")
Date of Appointment	9 September 2009
Date of last re-appointment (if applicable)	26 April 2021
Age	67
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Please refer to item 4.4 (a) on page 26 of this Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Executive. 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.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and CEO
Professional qualifications	Please refer to page 6 of this Annual Report.
Working experience and occupation(s) during the past 10 years	
Shareholding interest in the listed issuer and its subsidiaries	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	Brother of Mr. Franky Oesman Widjaja and father of Ms. Deborah Widjaja, both Directors of the Company. Spouse of Mdm Jehnny Susanty, a director of the Company's principal subsidiary, Shanghai Golden Bund Real Estate Co., Ltd.
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships#	<u>Past (for the last 5 years)</u> Constant Strength Sdn Bhd Crown Crystal Pte Ltd (Struck-off) <u>Present</u> Divine Flow Enterprise Pte. Ltd. Elijah Enterprise Limited Handful Resources Limited Koon Chung Limited Ningbo Zhonghua Land Co., Ltd Primewyn Management & Services Pte Ltd Shanghai Golden Bund Real Estate Co., Ltd Smart Investment Ltd


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

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

Corporate Governance Report

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	FDW
(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
(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
(c) Whether there is any unsatisfied judgment against him?	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
(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
(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
(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
(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
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No
(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?	
(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



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Report of The Directors

31 December 2023

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 2023 and the statement of financial position of the Company as at 31 December 2023.

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
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	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
The Company <u>No of ordinary shares</u>				
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 2024.

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.

Report of The Directors

31 December 2023

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 2023.

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) Interest risk;
- (b) Credit risk;
- (c) Foreign currency risk; and
- (d) Liquidity risk.

These key financial risk areas are discussed in Note 27 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
Director

CHEW YOW FOO
Director

Singapore
14 March 2024

Statement by Directors

31 December 2023

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 51 to 84 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 2023 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
Director

CHEW YOW FOO
Director

Singapore
14 March 2024

Independent Auditor's Report

to the Members of Bund Center Investment Ltd
(Incorporated in Bermuda with limited liability)

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 2023, 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 material accounting policy information.

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 2023 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
<p>Revenue recognition</p> <p>We refer to Note 3(n) and Note 5 to the financial statements.</p> <p>The Group's revenue comprises hotel revenue and property leasing income. The accounting policies for the respective revenue streams are set out in Note 3(n) to the financial statements.</p> <p>Revenue recognition is significant to our audit 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. Accordingly, we have identified revenue recognition as a key audit matter.</p>	<p><u>Our audit response:</u></p> <p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> • Updated our understanding of the Group's control environment and process on the revenue cycle for the respective revenue streams and performed tests of key controls as appropriate; • Performed tests of details on a sample basis for hotel revenue and property leasing income; • Performed analytical review procedures and enquired with management for any significant or unusual fluctuations noted; • Tested the revenue to be recognised in the relevant accounting period by performing cut-off tests at the year end; and • Tested journal vouchers for any unusual adjustments made to the revenue account. <p>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 and in the relevant accounting period.</p>

Independent Auditor's Report

to the Members of Bund Center Investment Ltd

(Incorporated in Bermuda with limited liability)

(cont'd)

Key Audit Matters	How our audit addressed the risk factors
<p>Valuation of properties</p> <p>We refer to Note 3(g) and (h), Note 4(b), Note 14 and Note 15 to the financial statements.</p> <p>The Group's portfolio of properties, comprising investment properties of S\$138.5 million and leasehold property of S\$103.1 million under property, plant and equipment, accounted for approximately 59.0% of the Group's total assets as at 31 December 2023. The Group accounts for its properties at cost less accumulated depreciation and any impairment losses.</p> <p>Management reviews for any indicators of impairment on the Group's properties at year end. An impairment exists when the carrying amount of the property is higher than its recoverable amount, which is the higher of fair value less cost of disposal and value in use.</p> <p>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.</p> <p>Management is of the opinion that there are no indications of impairment for the Group's properties at year end.</p>	<p><u>Our audit response:</u></p> <p>We have performed the following key audit procedures:</p> <ul style="list-style-type: none"> • Reviewed management's assessment by considering current internal and external sources of information for any objective evidence or indication that the properties may be impaired; • Evaluated the competency, qualifications and independence of the external valuer engaged by the Group; • Considered the scope of work and reasonableness of the valuation methodologies used by the external valuer to determine the fair value of the properties; and • Reviewed the assumptions used by the external valuer for the valuations as relied by management for the disclosure of the fair value of the properties in the financial statements at year end. <p>We found management's assessment that there are no indications of impairment at year end and the fair value of the Group's properties as at that date as disclosed in the financial statements to be reasonable.</p>

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

(Incorporated in Bermuda with limited liability)

(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.

Independent Auditor's Report

to the Members of Bund Center Investment Ltd

(Incorporated in Bermuda with limited liability)

(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 Daphne Aw Ai-Mei.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
14 March 2024

Consolidated Income Statement

For The Financial Year Ended 31 December 2023

	<u>Note</u>	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Revenue	5	83,889	67,610
Cost of sales		<u>(47,965)</u>	<u>(43,213)</u>
Gross profit		<u>35,924</u>	<u>24,397</u>
Selling expenses		(3,901)	(2,520)
General and administrative expenses		<u>(18,957)</u>	<u>(16,176)</u>
Total operating expenses		<u>(22,858)</u>	<u>(18,696)</u>
Operating profit		13,066	5,701
Financial income	6	4,675	5,428
Financial expenses	6	(9)	-
Allowance for expected credit loss on trade receivables	12	(1,471)	-
Other operating income	7	<u>4,738</u>	<u>2,176</u>
Profit before income tax	8	20,999	13,305
Income tax	9	<u>(9,503)</u>	<u>(10,471)</u>
Profit for the year		<u><u>11,496</u></u>	<u><u>2,834</u></u>
Profit for the year attributable to:			
Owners of the Company		11,097	2,575
Non-controlling interests		<u>399</u>	<u>259</u>
		<u><u>11,496</u></u>	<u><u>2,834</u></u>
Earnings per share (cents)			
Basic and diluted	10	<u>1.46</u>	<u>0.34</u>

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

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 31 December 2023

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Profit for the year	11,496	2,834
Other comprehensive loss		
<u>Item that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation differences arising from consolidation	<u>(14,865)</u>	<u>(38,434)</u>
Total comprehensive loss for the year, net of tax	<u><u>(3,369)</u></u>	<u><u>(35,600)</u></u>
Total comprehensive loss for the year attributable to:		
Owners of the Company	(3,255)	(34,458)
Non-controlling interests	<u>(114)</u>	<u>(1,142)</u>
	<u><u>(3,369)</u></u>	<u><u>(35,600)</u></u>

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

Statements of Financial Position

As At 31 December 2023

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
ASSETS					
Current Assets					
Cash and cash equivalents	11	151,485	150,631	1,032	767
Trade receivables and other current assets	12	7,311	9,113	12,268	12,977
Inventories, at cost		312	310	-	-
		<u>159,108</u>	<u>160,054</u>	<u>13,300</u>	<u>13,744</u>
Non-Current Assets					
Interest in subsidiaries	13	-	-	410,659	410,659
Investment properties	14	138,521	152,811	-	-
Property, plant and equipment	15	108,893	119,191	-	-
Deferred tax assets	16	2,567	2,930	-	-
Deferred charges	17	438	470	-	-
		<u>250,419</u>	<u>275,402</u>	<u>410,659</u>	<u>410,659</u>
Total Assets		<u>409,527</u>	<u>435,456</u>	<u>423,959</u>	<u>424,403</u>

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

Statements of Financial Position (cont'd)

As At 31 December 2023

	Note	<u>Group</u>		<u>Company</u>	
		<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	18	19,314	16,322	717	867
Income tax payable		2,611	1,844	-	-
Lease liability	19	140	-	-	-
		<u>22,065</u>	<u>18,166</u>	<u>717</u>	<u>867</u>
Non-Current Liabilities					
Long-term liabilities	20	8,795	11,974	-	-
Deferred tax liabilities	16	3,191	4,673	-	-
Lease liability	19	490	-	-	-
		<u>12,476</u>	<u>16,647</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>34,541</u>	<u>34,813</u>	<u>717</u>	<u>867</u>
Equity Attributable to Owners of the Company					
Share capital	21	105,784	105,784	105,784	105,784
Share premium		304,881	304,881	304,881	304,881
Treasury shares	21	(1,498)	(1,498)	(1,498)	(1,498)
Asset revaluation reserve	22	65,175	65,175	-	-
Merger reserve	23	(133,639)	(133,639)	-	-
Foreign currency translation reserve		5,936	20,288	-	-
Retained earnings		15,396	25,544	14,075	14,369
		<u>362,035</u>	<u>386,535</u>	<u>423,242</u>	<u>423,536</u>
Non-controlling interests		<u>12,951</u>	<u>14,108</u>	<u>-</u>	<u>-</u>
Total Equity		<u>374,986</u>	<u>400,643</u>	<u>423,242</u>	<u>423,536</u>
Total Liabilities and Equity		<u>409,527</u>	<u>435,456</u>	<u>423,959</u>	<u>424,403</u>

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 2023

	← 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 1.1.2023	105,784	304,881	(1,498)	65,175	(133,639)	20,288	25,544	386,535	14,108	400,643
Profit for the year	-	-	-	-	-	-	11,097	11,097	399	11,496
Other comprehensive loss for the year - Foreign currency translation	-	-	-	-	-	(14,352)	-	(14,352)	(513)	(14,865)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(14,352)	11,097	(3,255)	(114)	(3,369)
Dividends (Note 24)	-	-	-	-	-	-	(21,245)	(21,245)	-	(21,245)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(1,043)	(1,043)
Balance as at 31.12.2023	105,784	304,881	(1,498)	65,175	(133,639)	5,936	15,396	362,035	12,951	374,986
Balance as at 1.1.2022	105,784	304,881	(1,498)	65,175	(133,639)	57,321	49,526	447,550	16,396	463,946
Profit for the year	-	-	-	-	-	-	2,575	2,575	259	2,834
Other comprehensive loss for the year - Foreign currency translation	-	-	-	-	-	(37,033)	-	(37,033)	(1,401)	(38,434)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(37,033)	2,575	(34,458)	(1,142)	(35,600)
Dividends (Note 24)	-	-	-	-	-	-	(26,557)	(26,557)	-	(26,557)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(1,146)	(1,146)
Balance as at 31.12.2022	105,784	304,881	(1,498)	65,175	(133,639)	20,288	25,544	386,535	14,108	400,643

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

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 December 2023

	<u>Note</u>	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Cash flows from operating activities			
Profit for the year		11,496	2,834
Adjustments for:			
Depreciation of investment properties	14	12,019	12,845
Depreciation of property, plant and equipment	15	8,473	8,944
Amortisation of deferred charges	17	21	21
Investment properties written off	7	95	-
Property, plant and equipment written off	7	29	51
Gain on disposal of property, plant and equipment	7	(349)	-
Allowance for expected credit loss on trade receivables	12	1,471	-
Interest income	6	(4,675)	(5,428)
Interest expense	6	9	-
Unrealised foreign exchange loss		23	3,921
Income tax expenses		9,503	10,471
Operating cash flow before working capital changes		<u>38,115</u>	<u>33,659</u>
Changes in working capital:			
Trade receivables and other current assets		(76)	(4,917)
Inventories		(2)	36
Trade and other payables		<u>(187)</u>	<u>(3,452)</u>
Cash generated from operations		37,850	25,326
Interest received		4,874	5,877
Income tax paid		(9,757)	(9,812)
Interest paid		<u>(9)</u>	<u>-</u>
Net cash generated from operating activities		<u>32,958</u>	<u>21,391</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		355	-
Capital expenditure on investment properties	14	(3,156)	(2,000)
Capital expenditure on property, plant and equipment		(1,481)	(599)
Payments for deferred expenditure	17	<u>(5)</u>	<u>-</u>
Net cash used in investing activities		<u>(4,287)</u>	<u>(2,599)</u>
Cash flows from financing activities			
Principal payment of lease liability		(70)	-
Payment of dividends		(21,245)	(26,557)
Payment of dividends to non-controlling shareholders		<u>(1,043)</u>	<u>(1,146)</u>
Net cash used in financing activities		<u>(22,358)</u>	<u>(27,703)</u>
Net increase/(decrease) in cash and cash equivalents		6,313	(8,911)
Cash and cash equivalents at the beginning of the year		150,631	174,484
Effect of exchange rate changes on cash and cash equivalents		<u>(5,459)</u>	<u>(14,942)</u>
Cash and cash equivalents at the end of the year		<u>151,485</u>	<u>150,631</u>

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

Notes to the Financial Statements

31 December 2023

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 13 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 2023 were authorised for issue by the Board of Directors on 14 March 2024.

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 2023. The adoption of the new and revised IFRSs has had no material financial impact on the financial statements of the Group.

(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, <i>Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current</i>	1 January 2024
Amendments to IAS 1, <i>Presentation of Financial Statements - Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to IFRS 16, <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to IAS 7, <i>Statement of Cash Flows</i> and IFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	1 January 2024
Amendments to IAS 21, <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	1 January 2025

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.

Notes to the Financial Statements

31 December 2023

3 Material 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.

Notes to the Financial Statements

31 December 2023

3 Material 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 when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in IFRS 3, *Business Combinations*.

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.

Notes to the Financial Statements

31 December 2023

3 Material Accounting Policies (cont'd)

(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.

(f) 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.

(g) 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 under cost of construction in progress. The accumulated costs will be reclassified to properties costs when the construction has completed. No depreciation charge is provided for construction in progress until the assets are fully constructed and used in operations.

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.

Notes to the Financial Statements

31 December 2023

3 Material Accounting Policies (cont'd)

(h) 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.

(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.

Notes to the Financial Statements

31 December 2023

3 Material Accounting Policies (cont'd)

(j) Leases

- *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(g) to the financial statements.

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.

(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.

Notes to the Financial Statements

31 December 2023

3 Material 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.

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.

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, climate-related risks 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.

Notes to the Financial Statements

31 December 2023

3 Material Accounting Policies (cont'd)

(l) Financial Assets (cont'd)

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 and climate-related risks. 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.

(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 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.

Notes to the Financial Statements

31 December 2023

3 Material Accounting Policies (cont'd)

(m) Financial Liabilities and Equity (cont'd)

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 (net of any incentives given to the leasees) 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.

(o) Business Assistance Grants

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) 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.

Notes to the Financial Statements

31 December 2023

3 Material Accounting Policies (cont'd)

(r) 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.

(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.

(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.

Notes to the Financial Statements

31 December 2023

4 Critical Accounting Estimates, Assumptions and Judgements

(a) Critical Accounting Estimates and Assumptions

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. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed, if the estimates affect only that period, or in the period of the revisions and future periods, if the revisions affect both current and future periods.

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 14 and Note 15 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 and is of the view that there are no indications of impairment on its properties at year end.

The carrying amount of the Group's investment properties and leasehold land and buildings under property, plant and equipment are disclosed in Note 14 and Note 15 to the financial statements respectively.

Notes to the Financial Statements

31 December 2023

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:

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Hotel revenue	44,523	19,124
Property leasing income	39,366	48,486
	<u>83,889</u>	<u>67,610</u>

6 Financial Income and Expenses

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Financial income:		
Interest income on cash and cash equivalents	<u>4,675</u>	<u>5,428</u>
Financial expenses:		
Interest expense on lease liability	<u>(9)</u>	<u>-</u>

7 Other Operating Income

The net other operating income includes the following income/(expenses):

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Miscellaneous services income	2,228	1,778
Business assistance grants	1,946	2,140
Gain on disposal of property, plant and equipment	349	-
Penalty on early termination of leases	247	700
Net foreign exchange gain/(loss)	173	(2,365)
Investment properties written off	(95)	-
Donations	(57)	-
Property, plant and equipment written off	(29)	(51)
Compensation costs on early termination of employment	(24)	(26)
	<u>4,738</u>	<u>2,176</u>

Notes to the Financial Statements

31 December 2023

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	
	<u>2023</u>	<u>2022</u>
	S\$'000	S\$'000
Audit fees paid/payable to:		
Auditors of the Company	120	120
Other auditors:		
- network firms	28	31
- non-network firms	14	14
Non-audit fees paid/payable to:		
Auditors of the Company	-	-
Other auditors:		
- network firms	-	-
- non-network firms	-	-
Depreciation of investment properties (Note 14)	12,019	12,845
Depreciation of property, plant and equipment (Note 15)	8,473	8,944
Investment properties written off (Note 7)	95	-
Property, plant and equipment written off (Note 7)	29	51
Allowance for expected credit loss on trade receivables (Note 12)	1,471	-
Staff costs:		
Salaries and wages	13,859	12,114
Contributions to defined contribution plans	2,767	2,943
Cost of consumables recognised as an expense in cost of sales	3,323	1,562
	<u>9,503</u>	<u>10,471</u>

9 Income Tax

	Group	
	<u>2023</u>	<u>2022</u>
	S\$'000	S\$'000
Tax expense is made up of:		
Current income tax	7,590	5,854
Deferred income tax (Note 16)	(1,221)	1,193
Withholding tax	3,134	3,424
	<u>9,503</u>	<u>10,471</u>

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	
	<u>2023</u>	<u>2022</u>
	S\$'000	S\$'000
Profit before income tax	20,999	13,305
Tax calculated at a tax rate of 25% (2022: 25%)	5,250	3,326
Effect of:		
Non-taxable income	(57)	(2)
Non-deductible expenses	1,874	2,039
Different tax rate of subsidiaries operating in different jurisdictions	217	251
Deferred tax expense arising from unremitted retained earnings	(1,482)	911
Withholding tax on dividend distributed by a subsidiary	3,134	3,424
Unrecognised deferred tax assets	567	522
	<u>9,503</u>	<u>10,471</u>

Notes to the Financial Statements

31 December 2023

10 Earnings Per Share

The earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company of S\$11,097,000 (2022: S\$2,575,000) by the weighted average numbers of ordinary shares in issue (excluding treasury shares) during the year of 758,768,832 (2022: 758,768,832).

There is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2023 and 2022.

11 Cash and Cash Equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Cash on hand	24	20	-	-
Cash in banks	148,324	13,545	1,032	767
Short-term bank deposits	3,137	137,066	-	-
	<u>151,485</u>	<u>150,631</u>	<u>1,032</u>	<u>767</u>

The above short-term bank deposits earn interest at rates ranging from 3.6% – 4.5% (2022: 2.7% – 3.9%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
RMB	146,486	148,144	5	5
SGD	3,775	1,451	67	67
USD	1,218	1,028	960	695
Others	6	8	-	-
	<u>151,485</u>	<u>150,631</u>	<u>1,032</u>	<u>767</u>

12 Trade Receivables and Other Current Assets

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Trade receivables	3,511	3,622	-	-
Less: Loss allowance	(1,455)	(10)	-	-
	<u>2,056</u>	<u>3,612</u>	<u>-</u>	<u>-</u>
Other receivables from:				
- Subsidiaries	-	-	12,208	12,912
- Third parties	3,812	3,907	-	-
Interest receivables	11	210	-	-
Deposits	85	277	-	-
Recoverables	180	273	-	-
	<u>6,144</u>	<u>8,279</u>	<u>12,208</u>	<u>12,912</u>
Prepayments	1,167	834	60	65
	<u>7,311</u>	<u>9,113</u>	<u>12,268</u>	<u>12,977</u>

Notes to the Financial Statements

31 December 2023

12 Trade Receivables and Other Current Assets (cont'd)

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

The Group has assessed that the other receivables 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.

The Group's credit risk exposure in relation to trade receivables from contracts with customers is presented below:

<u>Group</u>	<u>2023</u>		<u>2022</u>	
	<u>Gross</u> S\$'000	<u>Loss</u> <u>allowance</u> S\$'000	<u>Gross</u> S\$'000	<u>Loss</u> <u>allowance</u> S\$'000
Not past due	1,872	(19)	1,456	(10)
Past due 0 – 3 months	662	(508)	568	-
Past due more than 3 months	977	(928)	1,598	-
	<u>3,511</u>	<u>(1,455)</u>	<u>3,622</u>	<u>(10)</u>

The Group recognised loss allowance for ECL at an amount equal to lifetime ECL method for the past due debts. 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:

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Balance at the beginning of the year	10	11
Loss allowance recognised during the year:		
Provision for ECLs	1,481	-
Reversal of unutilised amounts	(10)	-
	1,471	-
Translation adjustment	(26)	(1)
Balance at the end of the year	<u>1,455</u>	<u>10</u>

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

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
RMB	7,239	8,840	-	-
SGD	72	273	12	17
USD	-	-	12,256	12,960
	<u>7,311</u>	<u>9,113</u>	<u>12,268</u>	<u>12,977</u>

Notes to the Financial Statements

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13 Interest in Subsidiaries

	<u>Company</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Unquoted equity shares, at cost	266,194	266,194
Loans receivable denominated in SGD	144,465	144,465
	<u>410,659</u>	<u>410,659</u>

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:

<u>Name of company and country of incorporation</u>	<u>Principal activities</u>	<u>Effective percentage of equity held by</u>	
		<u>The Group (%)</u>	<u>NCI (%)</u>
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.

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13 Interest in Subsidiaries (cont'd)

As at 31 December 2023, the accumulated NCI is S\$12,951,000 (2022: S\$14,108,000), of which S\$10,751,000 (2022: S\$11,640,000) 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:

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Non-current assets	232,533	257,092
Current assets	150,253	153,770
Non-current liabilities	(7,679)	(10,815)
Current liabilities	<u>(32,016)</u>	<u>(28,989)</u>
Revenue	83,053	66,908
Profit for the year	18,092	13,867
Total comprehensive income/(loss) for the year	<u>4,319</u>	<u>(25,402)</u>
Profit for the year allocated to NCI	581	446
Dividends paid to NCI	<u>1,043</u>	<u>1,146</u>
Cash flows from operating activities	35,011	21,922
Cash flows used in investing activities	(3,549)	(2,531)
Cash flows used in financing activities, before dividends to NCI	(31,242)	(31,928)
Net increase/(decrease) in cash and cash equivalents	<u>220</u>	<u>(12,537)</u>

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14 Investment Properties

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Cost</u>		
At the beginning of the year	404,913	442,573
Additions	3,156	2,000
Written off	(1,652)	-
Currency realignment	(14,685)	(39,660)
At the end of the year	<u>391,732</u>	<u>404,913</u>
<u>Less: Accumulated depreciation</u>		
At the beginning of the year	252,102	263,594
Depreciation charged to cost of sales	12,019	12,845
Written off	(1,557)	-
Currency realignment	(9,353)	(24,337)
At the end of the year	<u>253,211</u>	<u>252,102</u>
Net carrying amount	<u>138,521</u>	<u>152,811</u>

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\$20,830,000 (2022: S\$21,867,000).

As at 31 December 2023 and 2022, the fair value of the Group's investment properties is approximately RMB6,200 million (equivalent to S\$1,153 million) and RMB6,387 million (equivalent to S\$1,233 million) respectively, based on external valuation reports dated 12 March 2024 and 13 March 2023 respectively. These valuation reports are prepared by the independent professional valuers, Savills Real Estate Valuation (Guangzhou) Ltd. Shanghai Branch using a combination of market data approach and income capitalisation approach.

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.

Under the income capitalisation approach, the valuation was arrived at by considering the capitalised income derived from the existing tenancy with due allowance for the income potential, which have been capitalised to determine the fair value at an appropriate capitalisation rate.

The fair value has been categorised as Level 2 of the fair value measurement hierarchy where inputs other than quoted prices in active markets that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices).

Notes to the Financial Statements

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15 Property, Plant and Equipment

<u>Group</u>	<u>Leasehold land and buildings</u> S\$'000	<u>Plant, machinery and equipment</u> S\$'000	<u>Motor vehicles</u> S\$'000	<u>Furniture and fixtures</u> S\$'000	<u>Total</u> S\$'000
<u>Cost</u>					
Balance at 1.1.2023	261,320	12,005	1,536	16,852	291,713
Additions	-	-	1,747	642	2,389
Disposals	-	-	(1,023)	-	(1,023)
Written off	-	(534)	-	(76)	(610)
Currency realignment	(9,478)	(427)	(17)	(609)	(10,531)
Balance at 31.12.2023	251,842	11,044	2,243	16,809	281,938
<u>Less: Accumulated depreciation</u>					
Balance at 1.1.2023	146,698	10,818	1,512	13,494	172,522
Depreciation	7,519	1	208	745	8,473
Disposals	-	-	(1,017)	-	(1,017)
Written off	-	(509)	-	(72)	(581)
Currency realignment	(5,452)	(383)	(16)	(501)	(6,352)
Balance at 31.12.2023	148,765	9,927	687	13,666	173,045
<u>Net carrying amount</u>					
Balance at 31.12.2023	103,077	1,117	1,556	3,143	108,893
<u>Cost</u>					
Balance at 1.1.2022	287,045	14,239	1,584	17,851	320,719
Additions	-	-	-	599	599
Written off	-	(1,015)	-	-	(1,015)
Currency realignment	(25,725)	(1,219)	(48)	(1,598)	(28,590)
Balance at 31.12.2022	261,320	12,005	1,536	16,852	291,713
<u>Less: Accumulated depreciation</u>					
Balance at 1.1.2022	152,716	12,884	1,555	13,969	181,124
Depreciation	8,118	1	4	821	8,944
Written off	-	(964)	-	-	(964)
Currency realignment	(14,136)	(1,103)	(47)	(1,296)	(16,582)
Balance at 31.12.2022	146,698	10,818	1,512	13,494	172,522
<u>Net carrying amount</u>					
Balance at 31.12.2022	114,622	1,187	24	3,358	119,191

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Included in the Group's property, plant and equipment, are the right-of-use assets related to leased land and properties and motor vehicle of S\$103,077,000 (2022: S\$114,622,000) and S\$1,272,000 (2022: Nil) respectively. During the current financial year, included in the additions to the Group's property, plant and equipment are addition of right-of-use assets acquired under finance lease arrangements of S\$700,000 (2022: Nil).

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16 Deferred Tax

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

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Deferred tax assets	2,567	2,930
Deferred tax liabilities	<u>(3,191)</u>	<u>(4,673)</u>
Net carrying amount	<u>(624)</u>	<u>(1,743)</u>

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

<u>Group</u>	Investment properties and property, plant and equipment S\$'000	Unremitted retained earnings S\$'000	Total S\$'000
<u>Deferred tax assets/(liabilities)</u>			
Balance at 1.1.2023	2,930	(4,673)	(1,743)
(Charged)/Credited to income statement (Note 9)	(261)	1,482	1,221
Currency realignment	<u>(102)</u>	-	<u>(102)</u>
Balance at 31.12.2023	<u>2,567</u>	<u>(3,191)</u>	<u>(624)</u>
Balance at 1.1.2022	3,511	(3,762)	(251)
Charged to income statement (Note 9)	(282)	(911)	(1,193)
Currency realignment	<u>(299)</u>	-	<u>(299)</u>
Balance at 31.12.2022	<u>2,930</u>	<u>(4,673)</u>	<u>(1,743)</u>

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 2023, deferred tax liabilities of S\$3,191,000 (2022: S\$4,673,000) 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\$26,306,000 (2022: S\$22,970,000). 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\$4,472,000 (2022: S\$3,905,000) has not been recognised in the financial statements.

Notes to the Financial Statements

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17 Deferred Charges

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
<u>Cost</u>		
At the beginning of the year	1,649	1,811
Additions	5	-
Currency realignment	(60)	(162)
At the end of the year	<u>1,594</u>	<u>1,649</u>
<u>Less: Accumulated amortisation</u>		
At the beginning of the year	1,179	1,273
Amortisation charged to general and administrative expenses	21	21
Currency realignment	(44)	(115)
At the end of the year	<u>1,156</u>	<u>1,179</u>
Net carrying amount	<u>438</u>	<u>470</u>

18 Trade and Other Payables

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Trade payables	4,304	3,871	-	-
Non-trade payables to:				
- A subsidiary	-	-	397	547
- Third parties	3,016	3,860	-	-
Other taxes payable	2,140	2,120	-	-
Rental deposit received	3,293	1,535	-	-
Accrued expenses	3,175	1,882	316	315
Others	4	5	4	5
	<u>15,932</u>	<u>13,273</u>	<u>717</u>	<u>867</u>
Rental advances received	3,382	3,049	-	-
	<u>19,314</u>	<u>16,322</u>	<u>717</u>	<u>867</u>

The non-trade payable to a subsidiary is unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
RMB	18,270	15,698	-	-
SGD	960	619	717	867
USD	79	-	-	-
HKD	5	5	-	-
	<u>19,314</u>	<u>16,322</u>	<u>717</u>	<u>867</u>

Notes to the Financial Statements

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19 Lease Liability

(a) The Group as a lessee

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Leased liability denominated in SGD, payable:		
Within one year	140	-
Between two to five years	490	-
	<u>630</u>	<u>-</u>

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

(i) Leasehold Land and Buildings

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 statement of these leasehold land and buildings are disclosed in Note 14 and Note 15 to the financial statements.

(ii) Motor Vehicle

The Group acquired a motor vehicle under finance lease arrangement during current financial year. The carrying amounts and movements during the current financial year are disclosed in Note 15 to the financial statements. Amounts recognised in the income statements and statement of cash flows are as follows:

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Depreciation charged for the year	141	-
Interest expenses on lease liability	9	-
Total cash flows for leases	<u>70</u>	<u>-</u>

(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:

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Future minimum lease receivable:		
Within one year	29,929	39,159
One to two years	21,633	35,007
Two to three years	18,595	26,030
Three to four years	14,768	21,104
Four to five years	10,942	18,828
After five years	<u>21,765</u>	<u>39,004</u>

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20 Long-Term Liabilities

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Rental deposits received denominated in RMB	5,501	8,613
Deferred income denominated in USD	3,294	3,361
	<u>8,795</u>	<u>11,974</u>

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.

21 Share Capital and Treasury Shares

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

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.

22 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.

23 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.

24 Dividends

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Dividends paid:		
Interim dividend paid for the year of S\$0.028 (2022: S\$0.035) per share	<u>21,245</u>	<u>26,557</u>

Notes to the Financial Statements

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25 Related Party Transactions

The key management personnel compensation is as follows:

	<u>Group</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Directors of the holding company	3,125	2,902
Other key management personnel	925	757
	<u>4,050</u>	<u>3,659</u>

Included in the above remuneration are post-employment benefits of S\$64,068 (2022: S\$99,374) for the financial year ended 31 December 2023.

26 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:

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

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

	<u>Segment revenue</u>		<u>Segment profit/(loss)</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Hotel	44,523	19,124	11,460	(3,709)
Property leasing	39,366	48,486	29,805	40,422
	<u>83,889</u>	<u>67,610</u>	41,265	36,713
Depreciation and amortisation expenses			(20,513)	(21,810)
Interest income			4,675	5,428
Interest expense			(9)	-
Net foreign exchange gain/(loss)			173	(2,365)
Certain administrative expenses not allocated			(4,592)	(4,661)
Profit before income tax			<u>20,999</u>	<u>13,305</u>

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 expenses 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.

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26 Segment Information (cont'd)

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

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Property leasing	291,347	309,028
Hotel	111,529	123,649
Total segment assets	<u>402,876</u>	<u>432,677</u>
Other unallocated assets	407,895	410,220
Elimination of inter-segment receivables	<u>(401,244)</u>	<u>(407,441)</u>
Total assets	<u><u>409,527</u></u>	<u><u>435,456</u></u>

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

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Property leasing	44,386	45,851
Hotel	4,181	3,207
Total segment liabilities	<u>48,567</u>	<u>49,058</u>
Other unallocated liabilities	387,524	393,285
Elimination of inter-segment payables	<u>(401,550)</u>	<u>(407,530)</u>
Total liabilities	<u><u>34,541</u></u>	<u><u>34,813</u></u>

Other segment information of the Group is as follows:

	<u>Depreciation and amortisation expenses</u>		<u>Additions to investment properties, and properties, plant and equipment</u>	
	<u>2023</u> S\$'000	<u>2022</u> S\$'000	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Property leasing	12,353	13,174	3,501	2,293
Hotel	7,952	8,631	297	306
Others	208	5	1,747	-
	<u>20,513</u>	<u>21,810</u>	<u>5,545</u>	<u>2,599</u>

No segment information by geographical location has been presented as the Group's activities are primarily carried out in the PRC. Revenue of S\$10,650,000 (2022: S\$12,302,000) are derived from a single external customer. These revenues are attributable to the property leasing segment.

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27 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 2022.

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. The Group's debt includes lease liability. 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 2023 and 2022 are as follows:

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
Cash and cash equivalents	151,485	150,631
Debt		
- Lease liability	(630)	-
Net cash	<u>150,855</u>	<u>150,631</u>
Total equity	<u>374,986</u>	<u>400,643</u>

(b) Financial Risk Management

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

(i) 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.

(ii) 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 12 to the financial statements. 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.

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27 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(iii) 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.

	<u>2023</u> S\$'000	<u>2022</u> S\$'000
RMB/USD – Strengthened by 5%	156	157
– Weakened by 5%	(156)	(157)
HKD/RMB – Strengthened by 5%	(3)	(3)
– Weakened by 5%	3	3
SGD/USD – Strengthened by 5%	(49)	(37)
– Weakened by 5%	49	37

(iv) 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 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).

	<u>1 year or less</u> S\$'000	<u>1 to 5 years</u> S\$'000	<u>Total</u> S\$'000
<u>At 31 December 2023</u>			
Lease liability	159	555	714
Other financial liabilities	15,932	5,501	21,433
	<u>16,091</u>	<u>6,056</u>	<u>22,147</u>
<u>At 31 December 2022</u>			
Other financial liabilities	13,273	8,613	21,886

Notes to the *Financial Statements*

31 December 2023

28 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, receivables and payables are assumed to approximate their fair values due to their short-term maturities.

The carrying amounts of lease liability is reasonable approximation of its present value of payments.

29 Material Commitments

At the end of the reporting period, the estimated capital expenditure committed but not provided for in the consolidated financial statements is approximately S\$4,745,000 (2022: S\$2,822,000).

Shareholding Statistics

As at 8 March 2024

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 ISSUED SHARES (including treasury shares)	: 760,489,859
NUMBER OF SHARES ISSUED (excluding treasury shares and subsidiary holdings)	: 758,768,832
NUMBER/PERCENTAGE OF TREASURY SHARES	: 1,721,027 (0.23%)
NUMBER/PERCENTAGE OF SUBSIDIARY HOLDINGS	: Nil (0%)
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	503	7.89	26,276	0.00
100 - 1,000	2,984	46.80	1,552,688	0.21
1,001 - 10,000	2,439	38.25	7,490,537	0.99
10,001 - 1,000,000	439	6.89	20,606,833	2.71
1,000,001 & ABOVE	11	0.17	729,092,498	96.09
TOTAL	6,376	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	44,746,585	5.90
CITIBANK NOMINEES SINGAPORE PTE LTD	32,282,498	4.26
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,658,156	0.48
DBS NOMINEES PTE LTD	1,670,015	0.22
RAFFLES NOMINEES (PTE) LIMITED	1,540,141	0.20
UNITED OVERSEAS BANK NOMINEES PTE LTD	1,416,381	0.19
LIM POH KENG (LIN BAOQING)	1,380,575	0.18
OCBC SECURITIES PRIVATE LTD	1,379,583	0.18
WISNU KUSMIN	1,250,000	0.16
HONG PIAN TEE	1,217,000	0.16
PHILLIP SECURITIES PTE LTD	1,206,600	0.16
ANG HAO YAO (HONG HAOYAO)	729,026	0.10
HUANG BAOJIA	650,000	0.09
CHEE SWEE HENG	612,500	0.08
SEAH CHYE ANN (XIE CAI'AN)	495,100	0.06
DBS VICKERS SECURITIES (S) PTE LTD	490,160	0.06
OCBC NOMINEES SINGAPORE PTE LTD	449,529	0.06
LOH MAY-LING	439,400	0.06
LOH WEI-LING	439,400	0.06
Total	733,397,613	96.66

Shareholding Statistics

As at 8 March 2024

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares in which they have an Interest				Total Percentage ⁽¹⁾ (Direct and Deemed Interest) (%)
	Direct Interest	Percentage ⁽¹⁾ (%)	Deemed Interest	Percentage ⁽¹⁾ (%)	
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 8 March 2024, 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

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Bund Center Investment Ltd (the “Company”) will be held on **Tuesday, 23 April 2024 at 9.00 a.m.** (Singapore time) at Orchard Hotel Singapore, Orchard Ballroom 1&2, Level 3, 442 Orchard Road, Singapore 238879 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the year ended 31 December 2023 together with the Directors’ and Auditors’ reports thereon. **(Resolution 1)**
2. To approve Directors’ fees of S\$297,500 for the year ended 31 December 2023. (FY2022: S\$293,000) **(Resolution 2)**
3. To approve Directors’ fees for the year ending 31 December 2024 to the retiring Directors, Mr Lim Jun Xiong, Steven and Mr Willy Shee Ping Yah, for their service for the period from 1 January 2024 to 23 April 2024 aggregating S\$63,540.98. *{please see note 1}* **(Resolution 3)**
4. To re-appoint Mr Frankle (Djafar) Widjaja, a Director retiring pursuant to Rule 720(5) of the listing manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). *{please see note 2}* **(Resolution 4)**
5. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

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 Manual of 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:

Notice of Annual General Meeting

- (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 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 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 3}

(Resolution 6)

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 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 1967 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**");

Notice of Annual General Meeting

- (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 4}

(Resolution 7)

Notice of Annual General Meeting

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 SGX-ST, 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 5}*, 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 6}

(Resolution 8)

By Order of the Board

Frankle (Djafar) Widjaja
Director
2 April 2024
Singapore

Important Notes:

(i) Format of AGM

The AGM will be held in a wholly physical format at the date, time and venue stated above. A member of the Company, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. There will be no option for members to participate virtually. This Notice of AGM can be accessed on the SGXNET website at <https://www.sgx.com/securities/company-announcements>. No food served at AGM.

(ii) Submission of Proxy Form

A member of the Company (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM may appoint a proxy(ies) to vote on his/her/its behalf at the AGM by completing and submitting to the Company the instrument of proxy ("**Proxy Form**").

If no specific direction as to voting is given, the proxy(ies) may vote or abstain from voting at his/her/its discretion.

Notice of Annual General Meeting

A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

The Proxy Form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

- (a) if sent personally or by post, be deposited with the Company at its mailing address at c/o 3 Shenton Way, #17-07 Shenton House, Singapore 068805; or
- (b) if submitted by email, be received by the Company at proxy2024@bundcenter.com

in either case, by **9.00 a.m. on Saturday, 20 April 2024** being not less than seventy-two (72) hours before the time appointed for holding the AGM and in defaults the Proxy Form shall not be treated as valid.

The Proxy Form must be under the hand of the appointor or his/her/its attorney duly authorized in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorized officer, failing which the Proxy Form may be treated as invalid.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("**Investors**"), including Investors holding through Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS Investors**"), should approach their relevant intermediaries (which would include, in the case of CPF and SRS Investors, his/her CPF Agent Banks or SRS Operators). A CPF/SRS Investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least seven (7) working days before the date of the AGM to submit his/her vote.

(iii) Submission of Questions

A member of the Company, including CPF and SRS Investors, may submit substantive and relevant questions related to the resolutions tabled for approval at the AGM in advance of the AGM by:

- (a) post to the Company's mailing address at c/o 3 Shenton Way, #17-07 Shenton House, Singapore 068805, which must be received by **Thursday, 11 April 2024**; or
- (b) email to the Company at proxy2024@bundcenter.com, which must be received by **11.59 p.m. on Thursday, 11 April 2024**.

Shareholders who submit questions in advance of the AGM should identify themselves by stating (i) his/her/its full name as it appears on his/her/its CDP/CPF/SRS shares records, (ii) NRIC/Passport/Company registration number and (iii) state the manner in which he/she/it holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS) for verification purposes.

The Company will only address relevant and substantive questions (as may be determined by the Company in its sole discretion) received from members, and publish its response(s), which may be consolidated for similar relevant and substantive questions, on the SGXNET at <https://www.sgx.com/securities/company-announcements>, latest by 9.00 a.m. on Thursday, 18 April 2024. Any relevant and substantive questions received after 11 April 2024 shall be addressed, and may be consolidated for similar questions and addressed, during the AGM.

A member, including CPF and SRS Investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the AGM substantive and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Notice of Annual General Meeting

Additional Notes relating to this Notice of AGM:

1. Resolution 3 relates to Directors' fees for the year ending 31 December 2024 for Mr Lim Jun Xiong, Steven and Mr Willy Shee Ping Yah, who each retires at the conclusion of the AGM. The amount of S\$63,540.98 is the pro-rated sum of fees for their period of service in 2024 based on FY2023 scale of fees.
2. Please refer to the section on Board of Directors and Corporate Governance Report in the Annual Report 2023 for further information on Mr Frankle (Djafar) Widjaja.
3. Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM, or the date by which the next AGM 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 members.

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 6 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.

4. Resolution 7, if passed, will renew for another year, up to the next AGM, the mandate for share purchase as described in Appendix 1 to this Notice of AGM, which will, unless previously revoked or varied by the Company at a general meeting, expire at the next AGM.
5. The mandate for transactions with interested persons as described in Appendix 2 to this Notice of AGM includes the placement of deposits by the Company with financial institutions in which interested persons have an interest.
6. Resolution 8, if passed, is to renew for another year, up to the next AGM, 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 AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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.



Bund Center Investment Ltd

Listed on the Singapore Exchange

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