



Business China
(A public company limited by guarantee
and not having a share capital)
Registration Number: 200717215M

Annual Report
Year ended 31 December 2021

Directors' statement

We, the undersigned directors, on behalf of all the directors of Business China, submit this annual report to the member together with the audited financial statements of the Company for the financial year ended 31 December 2021.

We, being directors of Business China, do hereby state that in our opinion:

- (a) the financial statements set out on pages FS1 to FS31 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 and regulations, and the Financial Reporting Standards in Singapore;
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- (c) nothing came to our attention to cause us to believe that the Company did not comply with Regulation 15 of the Charities (Institution of a Public Character) Regulations and the donation monies have not been used in accordance with the objectives of the Company as an Institution of a Public Character.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Mission and Vision

To nurture an inclusive bilingual and bi-cultural group of Singaporeans through extensive use of the Chinese language as the medium of communication, so as to sustain our multi-cultural heritage, and to develop a cultural and economic bridge linking the world and China.

The Company strives to strengthen the ties between Singapore and China so as to sustain and grow the global connectivity of Singapore through:

- (1) Becoming the leading bilingual and bi-cultural channel paving the way for closer collaboration with China;
- (2) Establishing a widespread appreciation and acceptance of Chinese language and culture, within the multi-ethnic, multi-cultural mosaic that is fundamental to the Singapore identity; and
- (3) Nurturing young Singaporeans to develop deeper links with China, engaging it in all facets including economic, business, social, cultural or educational.

Patron

The Patron of the Company is the Prime Minister of Singapore, Mr Lee Hsien Loong.

Advisers

<u>Name</u>	<u>Occupation (as at 27 May 2022)</u>
Mr Gan Kim Yong	Minister for Trade & Industry
Mr Chan Chun Sing	Minister for Education
Mr Ong Ye Kung	Minister for Health
Ms Grace Fu Hai Yien	Minister of Sustainability & the Environment

Founding member

The founding member of the Company is the Singapore Chinese Chamber of Commerce and Industry (SCCCI).

Directorate

The directors in office at the date of this statement are as follows:

<u>Name & Position</u>	<u>Date of Appointment</u>	<u>Occupation (as at 27 May 2022)</u>
<u>Chairman</u>		
Mr Lee Yi Shyan	1 Oct 2007	Former Senior Minister of State Executive Advisor to the Chairman's office, OUE Limited
<u>Board members</u>		
Mr Anthony Tan	1 Oct 2016	Managing Director, MOH Holdings Pte Ltd
Mr Chee Hong Tat	1 Oct 2016	Deputy Secretary-General, National Trades Union Congress, Senior Minister of State, Transport
Mr David Su Tuong Sing	29 Nov 2017	Founding Managing Partner, Matrix Partners China
Mr Foo Ji-Xun	29 Nov 2017	Managing Partner, GGV Capital
Mr Hu Yee Cheng	1 Oct 2016	Vice Chairman Asia and Operating Partner, Temasek International Pte Ltd
Mr Kho Choon Keng	1 Oct 2013	Group Executive Chairman, Lian Huat Group
Dr Koh Poh Koon	1 Oct 2016	Senior Minister of State, Ministry of Health & Manpower
Mr Lim Ming Yan	1 Oct 2010	Chairman, Singapore Business Federation (SBF) and Workforce Singapore (WSG)
Mr Mark Lee Kean Phi	1 Oct 2019	Chief Executive Officer, Sing Lun Holdings Pte Ltd
Mr Ng San Tiong	1 Oct 2013	Managing Director & Group Chief Executive Officer, Tat Hong Holdings Ltd
Ms Sim Ann	1 Oct 2019	Senior Minister of State, Ministry of National Development & Ministry of Foreign Affairs
Mr Sherman Kwek Eik Tse	1 Oct 2019	Group Chief Executive Officer, City Developments Ltd
Ms Sun Jie	1 Oct 2019	Chief Executive Officer, Trip.com Group, Limited
Mr Tan Ser Ping	1 Oct 2016	Founder and Managing Partner, Stanway Capital
Mr Teo Siong Seng	1 Oct 2007	Executive Chairman, Pacific International Lines Pte Ltd
Mr Wu Hsioh Kwang	1 Oct 2013	Executive Chairman, Straco Corporation Ltd
Mr Zhong Sheng Jian	6 Apr 2009	Chairman & CEO, Yanlord Land Group Limited

As at 31 December 2021, the Directors, Mr Lee Yi Shyan, Mr Teo Siong Seng, Mr Zhong Sheng Jian and Mr Lim Ming Yan have served on the Board more than 10 consecutive years from the respective date of their first appointment on 1 October 2007 for Mr Lee Yi Shyan and Mr Teo Siong Seng, 6 April 2009 for Mr Zhong Sheng Jian and 1 October 2010 for Mr Lim Ming Yan.

The Management has subjected the directorship of Mr Lee Yi Shyan, Mr Teo Siong Seng, Mr Zhong Sheng Jian and Mr Lim Ming Yan to a conscientious review and evaluated the participation of Mr Lee Yi Shyan, Mr Teo Siong Seng, Mr Zhong Sheng Jian and Mr Lim Ming Yan at board and committee meetings and determined that each of them continues to possess the knowledge and the ability to exercise objective judgement on corporate matters for their continuous contribution as director and member of the Company.

The roles of the Board of Directors are to:

- (1) formulate key objectives, strategies and directions for the operation of the Company;
- (2) monitor and review the various activities of the Company;
- (3) review and approve annual budget for the various activities of the Company; and
- (4) abide by the duties, responsibilities and liabilities of a director as specified in the Companies Act as well as under common law.

Board meeting and attendance

A total of three Board meetings and one AGM were held during the financial year. The following sets out the individual Board member's attendance at the meetings:

<u>Name of Board members</u>	<u>% of attendances</u>
Mr Lee Yi Shyan	100%
Mr Anthony Tan	100%
Mr Chee Hong Tat	25%
Mr David Su Tuong Sing	100%
Mr Foo Ji-Xun	25%
Mr Hu Yee Cheng	50%
Mr Kho Choon Keng	100%
Dr Koh Poh Koon	100%
Mr Lim Ming Yan	75%
Mr Mark Lee Kean Phi	100%
Mr Ng San Tiong	100%
Ms Sim Ann	100%
Mr Sherman Kwek Eik Tse	100%
Ms Sun Jie	25%
Mr Tan Ser Ping	100%
Mr Teo Siong Seng	100%
Mr Wu Hsioh Kwang	100%
Mr Zhong Sheng Jian	50%

Structure, governance and management

Ms Tin Pei Ling was appointed as Chief Executive Officer of Business China on 21 May 2018.

The Board of Directors has set up seven Board Committees to oversee the various activities of the Company. The Chairman of each Board Committee is appointed by the Chairman of the Board of Directors.

The Committees and the members of the Committees are:

FutureChina Committee

Dr Koh Poh Koon
Mr Calvin Cheng Ern Lee
Mr Chia Kim Huat
Mr Chua Chim Kang
Ms Eunice Koh
Mr Hu Yee Cheng
Mr Ignatius Lim
Mr Mark Lee Kean Phi
Mr Seow Choke Meng
Mr Sherman Kwek Eik Tse
Mr Thomas Chua Kee Seng
Mr Wu Hsioh Kwang
Mr Zhong Sheng Jian

Go East Committee

Mr Chee Hong Tat
Mr Ang Wee Hiong
Mr Chang Ziqian
Mr Chia Kim Huat
Mr Foo Jixun
Mdm Heng Boey Hong
Mr Pang Choon How
Mr Sherman Kwek Eik Tse
Mr Tan Aik Hock
Mr Thomas Pek Ee Perh
Mr Wu Hsioh Kwang
Dr Zhou Zhao Cheng

Business Leaders Group Committee

Mr Lee Yi Shyan
Mr David Su Tuong Sing
Mr Foo Ji-xun
Ms Sun Jie
Mr Mark Lee Kean Phi
Ms Lim Sau Hoong
Mr Calvin Cheng Ern Lee (appointed on 26 Apr 2021)

Strategic Communications Committee

Ms Sim Ann
Mr Anthony Tan
Mr Chen Hwai Liang
Ms Lim Sau Hoong
Mr Seow Choke Meng

Audit Committee

Mr Tan Ser Ping
Mr Teo Siong Seng
Mr Wu Hsioh Kwang

Finance & Fundraising Committee

Mr Ng San Tiong
Mr Kho Choon Keng
Mr Zhong Sheng Jian

Nomination & Remuneration Committee

Mr Lim Ming Yan
Mr Lee Yi Shyan
Mr Hu Yee Cheng

Key roles and functions of the various committees, key management, teams of the Company

The roles and functions of the various Board Committees are to:

- (1) oversee the various activities;
- (2) review the various activities;
- (3) recommend and implement new activities to meet the needs of the respective target groups; and
- (4) support the fulfilment of the Company's mission and vision.

The key roles and functions of the management and teams of the Company are to:

- (1) carry out the day-to-day activities;
- (2) provide secretariat support to the various Board Committees to implement the activities; and
- (3) monitor the progress of the various activities and provide Board Committees overseeing the various activities with timely progress reports.

Objectives and activities

The objectives of the various activities are as follow:

- (1) generate interest and create opportunities, especially among the youths, in the learning of Chinese language and culture, as part of Business China's effort to cultivate bilingual and bicultural talents for Singapore;
- (2) develop a platform for the active use of the Chinese language;
- (3) generate interest in and create opportunities for the target groups to learn about the recent economic, social and political development in China; and
- (4) provide networking opportunities among Singaporeans and Chinese business and political leaders.

Activities for the year

For the year ended 31 December 2021, Business China organised 67 activities, attended by 8,249 participants (as compared to 10,872 participants in Year 2020). Detailed descriptions of the activities organised throughout the year are provided below.

Board Strategy Review and Planning

Business China's most recent strategy review and planning exercise was conducted with the Board of Directors and Board Advisers on 25 January 2019. During the full-day exercise, the Board assessed global and local developments, and reviewed Business China's programme offerings. In alignment with Business China's Mission and Vision, the Board decided on an updated set of strategic objectives for the company as follows:

- i. Nurture Singapore-China-savvy talents*
- ii. Grow high quality Singapore-China network of influencers*
- iii. Develop deep and wide-ranging relationships*

(i) Nurture Singapore-China-Savvy Talents

Business China continues to seek, cultivate and expand their pool of Singapore-China-savvy talents, through the organisation of Business China's programmes and other platforms, with a continued focus on the importance of bilingualism and biculturalism.

1) Awareness forums

These large-scale forums are held regularly to keep Business China members updated on general topics of interests such as China, Singapore, and the region. The forums also include those organised specifically for youths.

- To share latest developments and updates in the Chinese markets, general trends and topics of interests related to Singapore and the region
- To grow public awareness of Business China and its objectives
- To recruit new members if possible

(a) Public events: "Decoding China's Two Sessions" Forum & BC-SMC Young Business Leaders Webinar

The "Decoding China's Two Sessions 2021" forum was jointly organised by Business China and Lianhe Zaobao, with academics, economists and industry players invited to share their insights and views of the Chinese government's announcements. This year's forum targeted a wider audience which included members of the public. It was held in a hybrid format on 5th April 2021 and attended by a total of 147 participants physically and virtually.

In 2021, Business Leaders Group collaborated with Singapore Mentorship Council (SMC) to organise a webinar series, the BC-SMC Young Business Leaders Seminar.

The first webinar of this series, "Experience Sharing: New Generation Entrepreneurship", was conducted on 30 June 2021 and the second webinar, titled "Opportunities of Electric Vehicle" was conducted on 22 Dec 2021. The two webinars were attended by a total of 118 participants.

(b) Business China Youth Forum 2021

The Business China Youth Forum 2021 was held on 12 July 2021 as a half-day virtual event, in conjunction with Business China's FutureChina Global Forum.

This year's Youth Forum focused on the perspectives of ASEAN-China youths' and adopted the theme: "The Generation of Never Normal: Youths as Driver of Future ASEAN-China Growth." Mr Chee Hong Tat, Senior Minister of State, Ministry of Transport, graced the forum as the Guest-of-Honour and made the opening address. He shared that youths play an important role in strengthening and deepening the links between ASEAN and China in the areas of economy, technology and people-to-people relationships.

The forum attracted 279 students and young working professionals from Singapore, China and ASEAN.

2) Collaboration with University in China

Though overseas immersion programmes were suspended in 2021, Business China supported the "Online International Summer Camp on E-commerce in the Greater Bay Area" organised by Sun Yat-sen University. This online camp took place from 5 - 30 July 2021 and offered a platform for youth to gain insights on China's burgeoning e-commerce market in the world through a series of online courses, virtual company visits, and sharing sessions by company executives. 115 participants from Singapore attended the course and were joined by participants from 20 over countries.

3) Singapore – China Youth Interns Exchange Scheme (“YES”)

The Implementation Agreement on the Singapore-China Youth Interns Exchange Scheme (YES) was signed on 3 June 2021 between Singapore's Ministry of Education and PRC's Ministry of Human Resources and Social Securities.

Despite the challenge of sending youths from Singapore to China for internship due to the COVID-19 pandemic, Business China worked with four companies to pilot the YES hybrid internship arrangement between June and November. During this period, 8 internship opportunities were secured for Singaporean youths to work in these companies' Singapore office for 3 months. When travel restrictions between Singapore and China loosen up, interns can expect to work in these companies' China office for another 3 months. With the YES hybrid internship, youths are offered an opportunity to immerse themselves in a new culture, business environment, and build new networks despite travel constraints posted by the pandemic.

In addition, Business China conducted a YES Sentiment Survey in 2021 to understand companies' and prospective interns' hiring and internship needs. More than 330 youths and 27 companies responded to the survey, which helped Business China to gather prospective interns' internship preferences and prepare internship arrangement and opportunities that will best align with these interns' interests.

4) Youth China Readiness Engagement Programme

The Youth China Readiness Engagement programme comprises a series of activities to engage Institutes of Higher Learning (IHL) students and young working adults in the development of China-ready and China-savvy young Singaporeans.

These sessions aim to:

- Cultivate and promote an interest in bilingualism and biculturalism among youths
- Ignite passion and inspire them to pursue their career goals
- Encourage Singaporean students and young working professionals to develop an awareness of China's contemporary developments, while urging them nurture their bilingual skills and deepen their understanding of China
- Provide a platform for Business China Youth Chapter and student members, who graduated from or participated in exchange programmes in universities in China, to share their experiences with others.

(a) Business China Youth Series

The Business China Youth Series actively engages local youth by inviting experienced speakers and influential figures, armed with deep knowledge and insights in their respective fields, to share on an array of topics curated for youths. The topics cover Understanding of the China Market, Singapore-China Relations, History and Culture, Technology and New Trends and Career Advancement. Through this Series, Business China aims to prepare and equip youths with various practical skills to be career and global-ready in this time and age.

There were three Youth Series events were conducted in 2021 and attracted a total of 229 participants, including students and staff from various institutions and young working adults of varied backgrounds.

S/n	Date	Topic	Speaker	Theme	No of attendees
1	17 May 2021	F&B Industry: Tech & Innovation	Mr Francis Low, Founder, Beijing Wei Zhi Wei Group Mr Rodney Tang, Founder, Royal T Group	Technology & New Trends	141
2	27 Aug 2021	Evolution of the Technology and Education Industries— New paradigm or disruption?	Mr Jesse Li Shu, Founder & Chairman, Kewo Education Dr Tan Eng Han, Regional Director (Asia), ACT Inc (USA)	Technology & New Trends & Future Readiness/ Practical skills	46
3	10 Dec 2021	Dive Deep into Web 3.0— Why it Matters!	Mr Frank Wang, Transformative Work Lead, MASK Network & Co-Founder, Meson Network Mr Gary Xu, CTO & Co-Founder, aitos.io.	Technology & New Trends & Future Readiness/ Practical skills	42

(b) Outreach Sessions to youth

The outreach sessions to youth are done on-demand basis where schools invite Business China to introduce the organisation and its mandate, highlight contemporary developments of China and/or invite youth speakers (including Business China Youth Chapter members) who have lived, worked or studied in China to share their overseas experience. Such sessions help to increase the youth's awareness of initiatives and programmes that Business China offers.

Two outreach sessions were organised in 2021. The first outreach session, titled "The rise of social commerce and e-commerce in China" was conducted during Millennia Institute's virtual internationalisation programme, MI.World Shanghai on 2 June 2021 and it attracted a total of 30 participants.

The second outreach session was titled "Sharing by Singapore entrepreneur and student on business operation and schooling experience in China". This session was conducted during Eunoia Junior College's Bicultural Studies Programme (BSP) Camp on 1 December 2021 and attracted a total of 37 participants.

Moreover, Business China is interested to collaborate with youth communities or associations on these outreach sessions in which the sharing content could be customised to the audience's background and area of interest.

(c) Business China Youth Competitions

The Business China Youth Showdown 2021, themed "China and the World: Transition and Challenges," received entries from nine teams across four schools in Singapore. The final competition was held on 12 May 2021 with 120 audience and participants.

(d) Business China Youth Chapter ("BCYC")

As of 31 December 2021, the BCYC membership stood at 245. The BCYC continues to expand its membership with activities targeted at engaging and providing platforms for youths to build meaningful connections within the Singapore community and with peers in China.

Key activities organised for BCYC in 2021 included Knowledge Xchange and Xpertise Session. 4 sessions of Knowledge Exchange sessions and 9 Xpertise Session were conducted.

BCYC also organised ad-hoc meetings and gatherings amongst its members, as opportunities to develop closer bonds, and facilitate an intergenerational exchange of views and mutual discourse on China-related topics.

In 2021, a total of 22 activities (both virtual and physical) were organised, with total turnout of 443 participants.

(ii) Grow high quality Singapore-China network of influencers

Business China aims to cultivate a high-quality network of influencers and business leaders from Singapore and China who will add value to Singapore and the Singaporean community.

1) Engaging Prominent Business Leaders (“PBL”)

One of Business China’s aims is to build a premier platform to engage prominent business leaders (PBL), young business leaders and key opinion leaders, and establish a network of high-level Singapore-China-savvy talents. The platform would enable networking, exchanges, collaboration and leverage on their expertise, resources, connections as well as their vast knowledge of the Chinese and ASEAN markets to form an influential network. Through this network, these Business China’s members can discover new business opportunities, strengthen business cooperation between Singapore, China and ASEAN, nurture new generations of business leaders, and contribute to Singapore socially.

In 2021, Business China continued to engage our core group of Chinese PBLs, with the intention of deepening these relationships and a total of 25 Chinese PBLs (46 since forming the group in 2020) were engaged through online meetings, PBL interviews and various engagements.

The PBLs responded warmly to Business China’s fundraising efforts, with active participation in our Fundraising Golf Tournament 2021. and ESM Goh Chok Tong’s Book Donation Drive.

With the contributions from our PBLs, Board members, corporate members, and friends, Business China received a generous amount of donations¹ to support our operations. The generosity of the PBLs showed that they are committed to Business China’s mission and demonstrated the strong relations of Singapore and China.

In 2021, a total of three closed-door meetings were organised between Singapore’s Political Officer Holders (POHs) and the Chinese PBL; with a total of 12 Chinese PBLs were involved. All three meetings were held physically with the PBLs from diverse industries including technology, hospitality, F&B and investment. During these meetings, the PBLs provided the POHs with latest industry developments in China and feedback on their respective industry, while the POHs updated the PBLs on Singapore’s current economic situation and plans moving forward.

Business China also launched the Prominent Business Leaders Dialogue Series (PBLDS) in 2021. This series offers a platform for our PBLs to share their market insights and entrepreneurial experiences with the Business China’s members.

A total of three sessions were organised, featuring the Founder and President of Winning International Group, Mr Sun Xiushun (22 Jan 2021), Co-founder of Fosun International, Mr Liang Xinjun (27 April 2021) as well as co-founder and CEO of Antelope Technology, Mr Steven Li (22 Oct 2021), respectively.

All three sessions were closed-door and were attended by Business China members only, with two out of three being held as hybrid events. The attendance for each session were 47 (due to Safe Distancing Measures), 117 and 71 respectively.

2) Distinguished Leaders Dialogue Series

Business China also organised three sessions of the Distinguished Leaders Dialogue Series featuring Minister Gan Kim Yong (21 April 2021), ESM Goh Chok Tong (10 Sep 2021) and Minister Grace Fu (17 Dec 2021) respectively. All three sessions were held as hybrid events.

The series aims to:

- Tap on and share the perspectives of Singapore's leaders on pertinent current issues and future trends.
- Create an exclusive platform for Business China's clients to engage and foster deeper links with Singapore leaders.
- Further Business China's goal to cultivate a pool of elite Singapore-China savvy leaders with deep political and business links.
- Provide an avenue for business leaders to share ideas and feedback with Singapore leaders.

All three sessions were closed-door events attended by a carefully curated audience of Business China members. The number of audiences for each session was 90, 95 and 64 respectively.

3) Young Business Leaders

Built up by Business China over the years, the Young Business Leaders (YBLs) network was formed primarily by attendees who had participated in our annual Advanced Leaders Programme (ALP) since 2012. This ALP Alumni network is made up of next-generation business leaders, senior executives, professionals, and senior public officers.

Last year, the COVID-19 pandemic and related travel restrictions had caused the annual Business China Advanced Leaders Programme ("ALP") to be postponed. To continue strengthening this network of YBLs, Business China supported 12 events organised by its ALP Alumni.

The bulk of these events were held virtually, for an audience of 94 young business leaders. While this number was slightly lower than previous years, these events were integral to maintain and grow these valuable business connections amidst the pandemic.

Business China had also organised a 1-day ALP Alumni programme to maintain the YBLs' interest for the following year's ALP programme. This hybrid programme consists of two panel discussions and an opening presentation by MOS Tan Kiat How, spanning topics like "Tech Innovation for Business Sustainability", "Maintaining Relevancy in the Pursuit for "Common Prosperity and "The Emergence of Web 3.0 and its implications for Businesses in the Age of "Common Prosperity". A total of 48 ALP alumni members and friends attended the programme, which was a valuable opportunity to identify and recruit potential candidates for future ALP programmes.

Despite the absence of the annual ALP programme in 2021, our YBLs had responded warmly to Business China's fundraising efforts, with active participation in our Fundraising Golf Tournament 2021 and ESM Goh Chok Tong's Book Donation Drive. With generous contributions by the group, Business China had received S\$136,000 in cash and sponsorship to support Business China operations. Other than engagement to the YBLs, this group also provides sharing to younger entrepreneurs, start-ups or students interested to strike out on their own with the aims to:

- Provide insights of their respective industries and external factors (e.g. geopolitical changes) affecting their business decision with younger entrepreneurs/start ups
- Nurture younger generation of potential business leaders who are bilingual and interested in the Chinese markets

Overall, the YBLs form an invaluable network that Business China can tap on for knowledge and support and is crucial for us to maintain warm relationships with.

4) Business Forums

Business China's flagship business forums such, as FutureChina Global Forum ("FCGF") and Business China Awards ("BCA"), were created to position Singapore at the forefront of China thought leadership and as a significant node in the network of countries connecting with China.

The Forum provides an innovative avenue for a deeper understanding of how China is evolving, with discussions on the trends, forces and factors shaping China's orientations in the economic, political, social, and cultural paradigms.

The Business China Awards honours outstanding businessmen, entrepreneurs, professionals and organisations for their successes and contributions to Singapore-China relations as well as strengthening of bilingualism and biculturalism in Singapore.

Both these events strive to:

1. Reinforce Singapore and China's strong economic relations and further explore bilateral collaboration opportunities.
2. Position China as an important market and encourage multilateral economic activities with Singapore as the nexus connecting China, ASEAN and the world.
3. Share interesting insights and perspectives from different orientations that could include:
 - Business and Economy
 - Science and Technology
 - Governance and Society
 - Global Relations
4. Value-add to Singapore and Chinese business leaders and professional communities with credible China and ASEAN insights and access to privileged regional networks.

(a) FutureChina Global Business Series

The FutureChina Global Business Series was launched in 2020 as an online webinar series to engage the business community and keep them informed about the latest trends and insights concerning China, ASEAN, and the world.

Each webinar episode is produced in collaboration with renowned public leaders, corporate management, business leaders, professionals, think tanks and/or domain experts, and provides a platform for them to share their insights and perspectives about evolving issues or developments in their area of expertise.

In 2021, Business China conducted a webinar with 352 online participants, to discuss current issues revolving dual circulation, RCEP regional supply, value chain impact and investment strategy. The panel speakers explored China's "14th Five-Year Plan" development strategy, including dual circulation, and RCEP as an important channel for Singapore and China to develop economic and trade cooperation.

Business China also conducted a hybrid version of the China-Singapore Knowledge Forum to explore new opportunities for China-Singapore collaboration in light of the dual circulation paradigm. In addition, Business China also participated in and / or spoke at online forums organised by our partners such as the Asia House Global Trade Dialogue, CEA Sino-Singapore Youth Enterprises Forum and Boao Forum for Asia.

(b) Future China Global Forum 2021 ("FCGF 2021")

The Future China Global Forum was launched in 2010 to position Singapore at the forefront of thought leadership on China and as a significant node in the network of countries connecting with China. The Forum aims to provide an innovative approach towards a deeper understanding of how China is evolving and of the trends, forces and factors shaping China's orientation in the economic, political, social, and cultural paradigms.

Each year, the Forum gathers experts from all over the world to share insights, experience, and analyses in highly interactive discussion formats that allowed participants to gain "insider knowledge" on China. Designed to provide participants with a comprehensive picture of China's fast-moving economy and society, the Forum featured multi-faceted discussions and plenaries examining developments, challenges and opportunities unfolding in China. Through the years, it has cemented its reputation as an invaluable networking platform for the young and prominent business leaders from Singapore, China, and the region.

The 12th edition of FCGF was held as a hybrid event on 12-13 July 2021. It comprised a total of 11 sessions with more than 70 internationally esteemed speakers and dignitaries, including Nobel Prize laureate Professor Lars Peter Hansen, Deputy Secretary of the Communist Party of China Chongqing Municipal Committee and Mayor of the Chongqing Municipal People's Government Tang Liangzhi, Deputy Secretary of Tianjin Municipal Party Committee and Mayor of Tianjin Liao Guoxun, Deputy Secretary of the Guangdong Provincial Party Committee and Secretary of the Shenzhen Municipal Party Committee Wang Weizhong, Suzhou Mayor Li Yaping, Jiangsu Vice Governor Hui Jianlin, Philippines Trade and Industry Secretary Lopez, Cambodia Commerce Minister Pan Sorasak, Thailand Vice Minister for Commerce, Dr. Sansern Samalapa and Thailand Vice Minister for Digital Economy and Society Newin Chochoiyathip.

The theme for 2021 was Elevating ASEAN-China Economic Collaboration in the "Never Normal", and Deputy Prime Minister and Coordinating Minister for Economic Policies Heng Swee Keat, graced the opening ceremony and participated in the opening plenary discussion as the Guest-of-Honour. Minister for Education Chan Chun Sing was the Guest-of-Honour for the closing ceremony. Minister for Trade and Industry Gan Kim Yong and Minister for Health Ong Ye Kung were the special guests.

The highly anticipated annual event attracted 1840 foreign dignitaries, government officials, industry experts, senior management of companies, Business China's members, donors and partners representing a wide range of sectors from Singapore, China, ASEAN, the US and Europe. FCGF 2021 received extensive coverage in both local and Chinese media.

On the second day, Business China conducted a ticketed masterclass titled "Mastering Business Growth through Trustless Technology in the 'Never Normal'" focusing on blockchain and data.

Business China also held its first-ever Marketplace Startup Pitching Session, with 12 finalists pitching to eight judges from the Venture Capital community. The winners were honoured at an award ceremony during the Forum, with Minister Chan Chun Sing gracing the event.

(c) Business China Awards 2021 ("BCA")

The Business China Awards was first launched in 2010, to honour outstanding businessmen, entrepreneurs, professionals and organisations for their successes and contributions to deepening Singapore-China relations. The Awards aims to promote bilingualism and biculturalism in Singapore through honouring these exemplary role models.

Organised by Business China and jointly presented by OCBC, the 10th edition of BCA was held on 8 November 2021 at the Ritz-Carlton, Millenia. Deputy Prime Minister and Coordinating Minister for Economic Policies Heng Swee Keat was the Guest-of-Honour. 285 distinguished guests attended the hybrid event, which was reported on local and foreign media platforms.

The 2021 Award Recipients were as follows:

Business China Excellence Award

Mrs Jennifer Yeo

Chairman and Founder of VIVA Foundation for Children with Cancer

Business China Enterprise Award

China-Singapore Guangzhou Knowledge City

Business China Young Achiever Award

Ms. Jessica Tan

Co-CEO of Ping An Group

(iii) Develop deep and wide-ranging relationships

Business China organises programmes and events to cultivate meaningful and lasting relationships with target audience groups, connecting groups with shared interests and facilitating bilateral collaborations.

1) Chinese New Year Business Engagement Lunch

Business China organised a closed-door Chinese New Year Business Engagement and Lunch, heralding in the year of the Ox with a group of Business China stakeholders at ParkRoyal Collection Marina Bay on 22 February 2021.

At this CNY Business Engagement and Lunch 2021, both Chairman Mr Lee Yi Shyan and CEO Ms Tin Pei Ling shared the importance of resilience during tumultuous times and their insights on how to leverage digital tools as part of Business China events and programmes.

The engagement session saw 42 invited attendees including Business China Board members, Sub-committee members, as well as prominent business leaders and Business China Youth chapter members.

Directors' interests

The Company has no share capital and its liability is limited by guarantee.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

The Company's appointed internal auditor, PricewaterhouseCoopers LLP, had performed a high-level review over the compliance with the Code of Governance for Charities and Institutions of a Public Character ('IPCs') regulation, as part of the annual internal audit exercise.

The Company has put in place a policy whereby all members, directors, staff of the Company or volunteer shall promptly and fully disclose, in accordance to the procedures laid down by the Company, all interests (actual or potential) which could conflict with their duties and shall not in any way be involved in the transactions, or influence the outcome of the transaction.

Enterprise Risk Management framework

The Company had during the year developed the Enterprise Risk Management framework so as to be able to continuously monitor the risks in its operating environment.

Whistleblowing policy

The Company has a Whistleblowing Policy which aims to provide an avenue for its directors, employees and external parties to bring to attention of the Audit Committee any misdeed, impropriety committed by directors and employees and offer reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.

Share options

The Company is limited by guarantee and has not issued any share options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Lee Yi Shyan
Chairman



Tan Ser Ping
Director

27 May 2022



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Independent auditors' report

Member of the Company
Business China

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Business China ('the Company'), which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS31.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Companies Act'), Charities Act 1994 and other relevant regulations ('the Charities Act and Regulations'), and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information, which comprises the directors' statement, prior to the date of this auditors' report.

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 the provisions of the Companies Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors whose responsibilities include overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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 controls.
- Obtain an understanding of internal controls 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 Company's internal controls.



- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

A handwritten signature in blue ink that reads 'KPMG LLP'.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 May 2022

Statement of financial position
As at 31 December 2021

	Note	2021 \$	2020 \$
Non-current assets			
Property, plant and equipment	4	222,522	299,770
Investments	5	8,434,261	750,353
		8,656,783	1,050,123
Current assets			
Other receivables	6	1,923,953	3,714,260
Cash at bank and other deposits	7	14,117,134	19,607,745
		16,041,087	23,322,005
Total assets		24,697,870	24,372,128
Capital and accumulated fund			
Capital	8	–	–
General Fund	9	18,642,469	18,212,703
Summer School Scholarship Programme Fund	10	100,000	100,000
Internship Programme Fund	10	5,150,756	5,143,295
Fair value reserve – General Fund	11	(111,970)	–
		23,781,255	23,455,998
Current liabilities			
Other payables	13	693,182	600,890
Lease liabilities	14	115,982	121,511
		809,164	722,401
Non-current liabilities			
Other payables	13	84,080	79,259
Lease liabilities	14	23,371	114,470
		107,451	193,729
Total liabilities		916,615	916,130
Total fund and liabilities		24,697,870	24,372,128

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

Statement of comprehensive income
Year ended 31 December 2021

	Note	General Fund \$	Internship Programme Fund \$	Total \$
2021				
Income				
Donations	15	1,898,000	–	1,898,000
Grant income	16	1,838,569	1,380	1,839,949
Sponsorship income	17	801,350	–	801,350
Interest income from banks and investments	18	37,882	9,531	47,413
Other income	19	172,615	–	172,615
Total income		<u>4,748,416</u>	<u>10,911</u>	<u>4,759,327</u>
Expenses				
Staff costs	20	(2,133,945)	–	(2,133,945)
Resources expended on activities	21	(1,474,624)	(3,450)	(1,478,074)
Depreciation		(177,868)	–	(177,868)
General publicity		(123,589)	–	(123,589)
Interest expenses		(10,179)	–	(10,179)
Other expenses	22	(398,445)	–	(398,445)
Total expenses incurred		<u>(4,318,650)</u>	<u>(3,450)</u>	<u>(4,322,100)</u>
Surplus before income tax		429,766	7,461	437,227
Income tax expense	23	–	–	–
Surplus for the year		<u>429,766</u>	<u>7,461</u>	<u>437,227</u>
Other comprehensive loss – item that will not be reclassified to profit or loss:				
Equity investments at FVOCI – net change in fair value		(111,970)	–	(111,970)
Other comprehensive loss, net of tax		<u>(111,970)</u>	<u>–</u>	<u>(111,970)</u>
Total comprehensive surplus for the year		<u>317,796</u>	<u>7,461</u>	<u>325,257</u>

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

Statement of comprehensive income
Year ended 31 December 2021

	Note	General Fund \$	Internship Programme Fund \$	Total \$
2020				
Income				
Donations	15	54,000	–	54,000
Grant income	16	1,702,257	15,837	1,718,094
Sponsorship income	17	370,000	–	370,000
Dividend income from investments	5	189,030	–	189,030
Distribution income from investments	5	71,445	–	71,445
Interest income from banks and investments	18	118,931	63,986	182,917
Other income	19	468,569	–	468,569
Total income		<u>2,974,232</u>	<u>79,823</u>	<u>3,054,055</u>
Expenses				
Staff costs	20	(2,147,375)	–	(2,147,375)
Resources expended on activities	21	(527,393)	(39,593)	(566,986)
Depreciation		(165,114)	–	(165,114)
General publicity		(21,066)	–	(21,066)
Interest expenses		(15,124)	–	(15,124)
Other expenses	22	(379,571)	–	(379,571)
Total expenses incurred		<u>(3,255,643)</u>	<u>(39,593)</u>	<u>(3,295,236)</u>
(Deficit)/Surplus before income tax		(281,411)	40,230	(241,181)
Income tax expense	23	–	–	–
(Deficit)/Surplus for the year		<u>(281,411)</u>	<u>40,230</u>	<u>(241,181)</u>
Other comprehensive loss – item that will not be reclassified to profit or loss:				
Equity investments at FVOCI – net change in fair value		(135,850)	–	(135,850)
Other comprehensive loss, net of tax		<u>(135,850)</u>	<u>–</u>	<u>(135,850)</u>
Total comprehensive (deficit)/surplus for the year		<u>(417,261)</u>	<u>40,230</u>	<u>(377,031)</u>

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

**Statement of changes in equity
Year ended 31 December 2021**

	General Fund		Programme Funds			Total
	Accumulated fund \$	Fair value reserve \$	Total \$	Summer School Scholarship Programme Fund \$	Internship Programme Fund \$	
At 1 January 2020	18,494,114	135,850	18,629,964	100,000	5,103,065	23,833,029
Total comprehensive surplus for the year						
(Deficit)/Surplus for the year	(281,411)	--	(281,411)	--	40,230	(241,181)
Other comprehensive loss	--	(135,850)	(135,850)	--	--	(135,850)
Total comprehensive (deficit)/surplus for the year	(281,411)	(135,850)	(417,261)	--	40,230	(377,031)
At 31 December 2020	18,212,703	--	18,212,703	100,000	5,143,295	23,455,998
At 1 January 2021	18,212,703	--	18,212,703	100,000	5,143,295	23,455,998
Total comprehensive surplus for the year						
Surplus for the year	429,766	--	429,766	--	7,461	437,227
Other comprehensive loss	--	(111,970)	(111,970)	--	--	(111,970)
Total comprehensive surplus for the year	429,766	(111,970)	317,796	--	7,461	325,257
At 31 December 2021	18,642,469	(111,970)	18,530,499	100,000	5,150,756	23,781,255

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

Statement of cash flows
Year ended 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Cash receipts from:			
Donations		1,898,000	54,000
Sponsorship income		801,350	348,600
Programme income		–	–
Grant income		3,405,308	1,657,795
Other income		297,490	472,892
		6,402,148	2,533,287
Cash paid to:			
Suppliers and employees		(3,981,616)	(3,042,024)
Net cash from/(used in) operating activities		2,420,532	(508,737)
Cash flows from investing activities			
Dividend received		–	189,030
Distribution received		–	71,445
Proceeds from redemption of investments		–	5,500,000
Interest received		89,590	245,330
Purchase of investments		(7,795,878)	–
Purchase of property, plant and equipment		(74,961)	(64,340)
Net cash (used in)/from investing activities		(7,781,249)	5,941,465
Cash flow from financing activity			
Repayment of lease liabilities and interest	14	(129,894)	(130,433)
Net cash used in financing activity		(129,894)	(130,433)
Net (decrease)/increase in cash at bank and other deposits			
		(5,490,611)	5,302,295
Cash at bank and other deposits at beginning of year		19,607,745	14,305,450
Cash at bank and other deposits at end of year	7	14,117,134	19,607,745

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 May 2022.

1 Domicile and activities

Business China (the ‘Company’), a public company limited by guarantee and not having a share capital, was incorporated in the Republic of Singapore on 18 September 2007. The registered address of the Company is at 1 Straits Boulevard #11-02 Singapore Chinese Cultural Centre, Singapore 018906.

The Founding Patron of the Company is the late Prime Minister of Singapore, Mr Lee Kuan Yew and the Patron as at reporting date is the Prime Minister of Singapore, Mr Lee Hsien Loong.

The founding member of the Company is the Singapore Chinese Chamber of Commerce and Industry (‘SCCCI’).

The Company’s long term objective is to groom and nurture 20,000 to 30,000 bilingual and bi-cultural Singaporeans with the ability to connect effectively in China through a myriad of activities and a variety of channels. The objective is to equip them with the skills that will enable them to connect effectively with China and in the long run, build up strong linkages with China.

The Company is an approved charity organisation under the Charities Act 1994 since 9 March 2009. It has been granted Institution of a Public Character (‘IPC’) status since 1 March 2010. The current IPC status will expire on 30 April 2023.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards in Singapore (‘FRSs’). The changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company’s functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 12 – estimation of grant income.

2.5 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions (Amendments to FRS 116)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5 which addresses changes in accounting policies.

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives are as follows:

Office renovation	–	5 years
Office equipment	–	3 years
Computer equipment	–	2 years
Furniture and fittings	–	5 years
Right-of-use asset	–	limited to lease term

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Other receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost and fair value through other comprehensive income ('FVOCI') – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- 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.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ('OCI'). This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales, expectations about future sales activity, and how the performance is evaluated and reported to directors.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers contingent events that would change the amount or timing of cash flows and terms that may adjust the contractual coupon rate, including variable rate features.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends and distributions from investments are recognised as income in profit or loss unless these clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables and lease liabilities.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred;
 - or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash at bank and other deposits

Cash at bank and other deposits comprise cash balances and short-term deposits with maturities of twelve months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.4 Impairment

Non-derivative financial assets

The Company recognises loss allowances for expected credit losses ('ECL') on financial assets measured at amortised costs.

Loss allowances of the Company are measured on 12-month ECLs. These are ECLs that result 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).

General approach

The Company applies the general approach to provide for ECLs on all its financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company 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.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer;
- it is probable that the borrower will enter bankruptcy; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Company’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (‘CGU’) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Funds

General Fund

Income and expenditure relating to the main activities of the Company are accounted for through the general fund in the statement of comprehensive income.

Summer School Scholarship Programme and Internship Programme Funds

Income and expenditure relating to the fund set up for Summer School Scholarship Programme and Internship Programme Funds are accounted for through the respective fund in the statement of comprehensive income.

The assets and liabilities of these funds are accounted for separately. However, for presentation purposes, the assets and liabilities of all funds are pooled together.

3.6 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which related services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the reporting date.

3.7 Income recognition

Donations

Donations are recognised in the profit or loss as and when the Company's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donations. Donations received in advance for future are deferred till the Company is entitled to the donation.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions attached to them. Grants that compensate the Company for expenses incurred are recognised as income in the profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Company for the cost of an asset are recognised in the profit and loss as income on a systematic basis over the useful life of the asset.

Sponsorship income

Sponsorship income is recognised as income when the related sponsored event is held.

Programme income

Programme income is recognised as income when the related programme is held.

Membership fees

Membership fees are recognised on a straight-line basis over the membership period. Membership fees are billed at the commencement of the membership period and is payable within 30 days. Fees received but not yet recognised as income are reflected under other payables. Fees that are to be recognised as income in the next 12 months will be classified as current liabilities.

Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

3.8 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS 116.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property, plant and equipment' and 'lease liabilities' on the statement of financial position.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for leases that are short-term. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.9 New standards and interpretation not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- *FRS 117 Insurance Contracts and amendments to FRS 117 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*
- *Reference to the Conceptual Framework (Amendments to FRS 103)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Annual Improvements to FRSs 2018 – 2020*
- *Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*

4 Property, plant and equipment

	Office renovation \$	Office equipment \$	Computer equipment \$	Furniture and fittings \$	Right-of-use assets \$	Total \$
Cost						
At 1 January 2020	61,177	22,750	168,750	33,522	456,803	743,002
Additions	2,500	—	61,840	—	—	64,340
At 31 December 2020	63,677	22,750	230,590	33,522	456,803	807,342
At 1 January 2021	63,677	22,750	230,590	33,522	456,803	807,342
Additions	8,719	—	29,168	37,074	37,032	111,993
Disposals	—	—	—	—	29,570	(29,570)
At 31 December 2021	72,396	22,750	259,758	70,596	464,265	889,765
Accumulated depreciation						
At 1 January 2020	45,327	20,116	144,813	19,756	112,445	342,457
Depreciation charge for the year	5,317	1,925	31,649	6,078	120,145	165,114
At 31 December 2020	50,644	22,041	176,462	25,834	232,590	507,571
At 1 January 2021	50,644	22,041	176,462	25,834	232,590	507,571
Depreciation charge for the year	6,567	709	43,496	8,644	118,453	177,869
Disposals	—	—	—	—	(18,197)	(18,197)
At 31 December 2021	57,211	22,750	219,958	34,478	332,846	667,243
Carrying amounts						
At 1 January 2020	15,850	2,634	23,937	13,766	344,358	400,545
At 31 December 2020	13,033	709	54,128	7,688	224,213	299,771
At 31 December 2021	15,185	—	39,800	36,118	131,419	222,522

Leases as lessee (FRS 116)

The Company leases office space and office equipment. The leases typically run for a period between 3 years and 5 years. For these leases, the Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased assets that do not meet the definition of investment property are presented as property, plant and equipment.

These right-of-use assets presented in property, plant and equipment are as below:

	Office space \$	Office equipment \$	Total \$
2021			
Balance at 1 January	212,840	11,373	224,213
Additions	–	37,032	37,032
Depreciation charge for the year	(111,046)	(7,407)	(118,453)
Disposals	–	(11,373)	(11,373)
Balance at 31 December	101,794	29,625	131,419
2020			
Balance at 1 January	323,886	20,472	344,358
Depreciation charge for the year	(111,046)	(9,099)	(120,145)
Balance at 31 December	212,840	11,373	224,213

5 Investments

	2021 \$	2020 \$
Equity investments – at FVOCI:		
- DBS Perpetual Bonds	3,139,530	–
- UOB Perpetual Bonds	3,075,000	–
	<u>6,214,530</u>	<u>–</u>
Debt investments – at amortised cost:		
- HDB Bonds	750,040	750,353
- NEA Bonds	1,469,691	–
	<u>2,219,731</u>	<u>750,353</u>
	<u>8,434,261</u>	<u>750,353</u>

Equity investments designated as FVOCI

- ***DBS Perpetual Bonds***

On 30 September 2021, the Company invested in 3,000,000 non-cumulative, non-convertible perpetual capital securities. These securities have an effective distribution rate of 3.98% per annum.

- ***UOB Perpetual Bonds***

On 30 September 2021, the Company invested in 3,000,000 non-cumulative, non-convertible perpetual capital securities. These securities have an effective distribution rate of 3.58% per annum.

These investments has non-discretionary distribution were therefore assessed to be equity instrument. They were measured at FVOCI because these equity instruments represent investments that the Company intends to hold for long-term strategic purposes.

Debt investments at amortised cost

- ***HDB Bonds***

Debt investment classified as amortised cost pertains to HDB bonds invested on 21 February 2017 at a premium of \$1,500. The bonds are due on 21 February 2022. These bonds have fixed interest rate of 2.2325% per annum.

- ***NEA Bonds***

Debt investment classified as amortised cost pertains to NEA bonds invested on 30 September 2021 and 8 November 2021. The bonds are due on 15 September 2031. These bonds have fixed interest rate of 1.67% per annum.

Dividend and distribution income from investments

	2021	2020
	\$	\$
Dividend income		
- DBS preference shares	–	189,030
		189,030
Distribution income		
- Ascendas perpetual bond	–	71,445
		71,445

6 Other receivables

	2021	2020
	\$	\$
Deposit	43,977	73,408
Interest receivable	48,038	90,215
Other receivables	12,025	100,303
Accrued grant receivable (see Note 12)	1,798,842	3,425,810
	1,902,882	3,689,736
Prepayments	21,071	24,524
	1,923,953	3,714,260

7 Cash at bank and other deposits

	2021	2020
	\$	\$
Cash at bank	9,106,892	5,966,497
Deposits with financial institutions	5,010,242	8,010,238
Deposits with custodian	–	5,631,010
	<u>14,117,134</u>	<u>19,607,745</u>

The weighted average effective interest rate per annum relating to cash and bank and other deposits at the reporting date is 0.52% (2020: 2.08%). Interest rates reprice at intervals of three, six, nine or twelve months.

Deposits with financial institution

	2021	2020
	\$	\$
Deposits with financial institutions	<u>5,010,242</u>	<u>8,010,238</u>

Deposits with financial institutions relates to fund deposits that has maturity of more than 3 months (but less than 12 months) and has weighted average effective interest rate of 0.52% (2020: 2.08%).

8 Capital

The Company is a public company limited by guarantee and does not have any issued share capital. As at 31 December 2021, the Company has 18 (2020: 18) members and the liability of the members are limited. In the event of the Company being wound up while a member is in office, or within one year after he ceases to be a member, each member shall be liable for payment of the debts and liabilities of Business China contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves, not exceeding a sum of \$1.

9 General Fund

	2021	2020
	\$	\$
Unrestricted fund ('Reserve')	<u>18,642,469</u>	<u>18,212,703</u>
Ratio of 'Reserve' to Annual Operating Expenditure	<u>4.32</u>	<u>5.59</u>

The Company measures its performance based on the ratio of Reserve as a percentage of Annual Operating Expenditure (equivalent to the total expenses incurred for each financial year).

The Company maintains the Reserve at a level sufficient for its operating needs. Management reviews the level of Reserve regularly to ensure the adequacy of funding for the activities of Business China.

With regards to unrestricted fund, in order to comply with the Code of Governance (rule 6.3.1) where all charities should maintain some level of reserves to ensure long-term financial sustainability, Business China has a Reserve Policy (of unrestricted fund) of 4 times its annual operating budget which the company will monitor and adhere to. Unrestricted operating reserves fund excludes all Summer School Scholarship Programme and Internship Programme Funds.

10 Programme Funds

a) Summer School Scholarship Programme Fund

	2021	2020
	\$	\$
Summer School Scholarship Programme Fund	100,000	100,000

Summer School Scholarship Fund is a form of specific fund, where the initial capital of S\$100,000 was received as a form of donation. The setup of the Summer School Scholarship Fund was approved by the Board on 1 October 2019.

The Business China Summer School Scholarship Fund enhances Business China’s current suite of programmes, helping to develop Singaporean youths to become “Singapore-China savvy” and strengthening people-to-people ties between Singapore and China.

The Scholarship provides Singapore youths with more opportunities to participate in summer school programmes from some of the most prestigious Chinese universities.

b) Internship Programme Fund

	2021	2020
	\$	\$
Internship Programme Fund	5,150,756	5,143,295

Internship Programme Fund is a form of specific fund, where the initial capital of S\$5 million was transferred from Business China’s accumulated General Fund. The setup of the Internship Programme Fund was approved by the Board on 29 November 2017. Its objectives are as follows:

This fund is an initiative of Business China which seeks to facilitate the development of China-ready young Singaporeans by offering in-market immersion opportunities via China-based internships or study semesters in Chinese universities.

This fund is set up to support both Skillsfuture and the Global Innovation Alliance through providing Singaporeans opportunities to gain international experience and networks respectively, with a focus on China. This will enable Singapore and its enterprises to engage the Chinese economy effectively via a pipeline of China-savvy talent.

This fund aims to provide financial support to young Singaporeans to embark on internships or scholarships that will allow them the opportunity to be exposed to China, Chinese working culture and business know-how.

The trustees of these funds are Finance & Fundraising Committee members, Directors and CEO of Business China, who shall decide, monitor and report of all major decisions related to the Fund to the Board.

11 Fair value reserve – General Fund

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI until the financial assets are derecognised or reclassified.

12 Deferred grant

	Note	2021 \$	2020 \$
Accrued grant receivable			
- Tote Board		1,728,842	3,025,810
- Singapore Tourism Board		70,000	–
- Bicentennial Community Fund		–	400,000
	6	1,798,842	3,425,810
Grant income recognised in profit or loss	16	1,798,842	1,318,094
Other payables			
- Job support scheme		–	62,569
- National Council of Social Service		960	–
	13	960	62,569

Tote Board

The Company is a beneficiary of the Singapore Totalisator Board (“Tote Board”) who provides grants to support the activities of the Company. The funding for year 2019 to 2021 will be at 40% of the Company’s annual operating expenditure with a funding cap of \$7,000,000 over three years.

The Company recognised grant income of \$1,728,842 (2020: \$1,318,094) during the current financial year, representing 40% of the claim for cost reimbursement in respect of 2021’s expenditure which are subject to formal approval by the Tote Board. The grant has been recognised as income as the conditions for the grant have been met. On 11 March 2021 and 2 September 2021, Tote Board finalised the 2019 and 2020 grant of \$1,707,716 and \$1,318,094, respectively. These amounts have been disbursed to the Company on 31 March 2021 and 2 September 2021, respectively.

As of 31 December 2021, there is unutilised grant balance of \$2,245,348 (2020: \$3,974,190) relating to the \$7,000,000 grant approved by the Tote Board.

The Company has entered into a new funding agreement with Tote Board on 19 April 2022 for a period of 3 years from 1 January 2022 to 31 December 2024, where Tote Board will fund 40% of Business China’s annual operating expenditure, capped at S\$5,200,000.

Estimation of grant income

Management uses judgement to determine the accretion of grant income at each reporting date. The estimates of accretion of grant income are made based on experience and historical trend of approval by the Tote Board. Where the final quantum of approved grant income is different from the amounts that were initially recorded, such differences will impact the income in the period in which such determination is made.

Bicentennial Community Fund

Announced in Singapore Budget 2019, Bicentennial Community Fund (“BCF”) was set up as a matching grant of one dollar for every donation raised by the Company, up to a cap of \$400,000 provided by the Singapore Government. The grant income of \$400,000 was approved and recognised in 2020. The amount has been disbursed to the Company on 15 January 2021.

13 Other payables

	2021	2020
	\$	\$
Current		
Accrued employer’s CPF contribution	58,528	73,782
Accrued unutilised leave	42,171	57,375
Accrued operating expenses	526,874	345,660
	627,573	476,817
Deferred income – membership fee income	64,649	61,504
Deferred government grant income (see Note 12)	960	62,569
	693,182	600,890
Non-current		
Provision for restoration costs	22,540	13,821
Deferred income	61,540	65,438
	84,080	79,259
Other payables	777,262	680,149

A provision for restoration costs was made in respect of the Company’s obligation to reinstate to the office space to its original condition upon the end of the lease. The carrying value of the provision for restoration costs is recognised in ‘Property, plant and equipment’ amounting to \$10,849 (2020: \$4,340).

The movement for the provision for restoration cost is as follows:

	2021	2020
	\$	\$
Balance as at 1 January	13,821	11,321
Additions	8,719	2,500
Balance as at 31 December	22,540	13,821

14 Lease liabilities

	2021	2020
	\$	\$
Current	115,982	121,511
Non-current	23,371	114,470
	139,353	235,981

The Company leases office space and office equipment with lease terms between 3 years and 5 years. Information about leases for which the Company is a lessee is presented below.

	2021	2020
	\$	\$
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	119,768	130,433
Between 1 and 5 years	25,200	116,903
Total undiscounted lease liabilities at 31 December	<u>144,968</u>	<u>247,336</u>
Lease liabilities included in the balance sheet at 31 December		
Repayable:		
Within 1 year	115,982	121,511
Between 1 and 5 years	23,371	114,470
	<u>139,353</u>	<u>235,981</u>

Lease not yet commenced to which the lessee is committed

The Company does not have lease contract that has not yet commenced as of 31 December 2021.

Amounts recognised in statement of cash flows relating to lease liabilities

	2021	2020
	\$	\$
Total cash outflow for lease, including interest	<u>129,894</u>	<u>130,433</u>

Reconciliation of movement of liabilities to cash flows arising from financing activities

	2021	2020
	\$	\$
Balance at 1 January	235,981	351,290
Repayment of lease liabilities and interest	(129,894)	(130,433)
Interest on lease liabilities	10,179	15,124
New leases	37,032	–
Leases written off	(13,945)	–
Balance at 31 December	<u>139,353</u>	<u>235,981</u>

15 Donations

	2021	2020
	\$	\$
Non tax-deductible donations	100,000	–
Tax deductible donations from:		
- Directors	150,000	30,000
- Others	1,648,000	24,000
	<u>1,898,000</u>	<u>54,000</u>

16 Grant income

	Note	2021 \$	2020 \$
Tote Board	12	1,728,842	1,318,094
Bicentennial Community Fund		–	400,000
Singapore Tourism Board		70,000	–
SGUnited		31,588	–
Charities Capability Fund		9,519	–
		1,839,949	1,718,094

17 Sponsorship income

	2021 \$	2020 \$
Sponsorship income	801,350	370,000
	801,350	370,000

18 Interest income from banks and investments

	2021 \$	2020 \$
Interest income from deposits with banks	25,941	166,781
Interest income from investments	21,472	16,136
	47,413	182,917

19 Other income

	2021 \$	2020 \$
Jobs Support Scheme	90,312	290,689
Childcare and maternity leave	–	14,726
Membership fees	78,753	57,547
Rental rebate	–	47,134
Special employment and wages credit	1,686	51,221
Sundry income	1,864	7,252
	172,615	468,569

The Jobs Support Scheme is introduced by the government under the Stabilisation and Support Package that was announced during Budget 2020, with the intention of providing greater assurance and support to workers and enterprises during the COVID-19 pandemic. During the current financial year, the Company received total disbursement of \$66,480 (2020: \$314,521) from the Singapore Government. The Company has recognised grant income of \$90,312 (2020: \$290,689) during the current financial year as the condition for the grant have been met.

20 Staff costs

	2021	2020
	\$	\$
Salaries and bonuses	1,898,915	1,896,898
Contributions to defined contribution plans	235,030	250,477
	<u>2,133,945</u>	<u>2,147,375</u>
Included in the amount above are key management personnel compensation comprising:		
Short-term employee benefits	1,187,866	1,351,083
Post-employment benefits	134,939	138,055
	<u>1,322,805</u>	<u>1,489,138</u>

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The chief executive officer, general manager and the direct reporting senior officers are considered as key management personnel of the Company. Other directors did not receive any form of remuneration during the financial year. Number of key management in remuneration (including benefits) bands:

	2021	2020
\$0 – \$100,000	6	5
\$100,001 – \$200,000	4	5
\$200,001 – \$300,000	1	–

The disclosure on banding of key managements' remuneration is made in accordance to Code of Governance issued by the Charity Council, April 2017.

There are no staff who are close members of the family of the chief executive officer or Board member who receives remuneration during the year (2020: none).

21 Resources expended on activities

Expenses incurred on activities carried out during the year are as follows:

	2021	2020
	\$	\$
Activities:		
- Youth Engagement	72,675	6,932
- Business leaders' engagement and activities	1,004,557	361,957
Spring Reception	5,317	15,000
Internship programme	3,450	39,593

	2021	2020
	\$	\$
Special projects:		
- Business China Awards	348,629	–
- Commemorative microsite for 30 th anniversary of China-Singapore	43,446	139,704
- Public Lecture by Chinese Officials	–	3,800
Total expenses incurred on activities	1,478,074	566,986

22 Other expenses

Other expenses comprised the following:

	2021	2020
	\$	\$
Audit fees paid/payable to:		
- auditors of the Company	44,000	44,000
Non-audit fees paid/payable to:		
- other auditors	34,000	30,000
Annual system maintenance	85,804	79,380
Interest on lease liabilities	10,179	15,124
Newspapers and subscriptions	67	2,057
Printing and stationery	2,015	3,002
Professional fees	52,148	71,806
Office cleaning, maintenance, and utility charges	54,566	50,011
GST expenditure	94,801	70,134
Short-term leases	1,770	2,018

23 Income tax expense

The Company is an approved charity organisation under the Charities Act 1994 and no provision for taxation has been made in the financial statements as the Company is exempted from income tax with effect from the year of assessment 2010.

24 Transactions with companies with common Directors

Other than disclosed elsewhere in the financial statements, the transactions with companies that have common Directors are as follows:

	2021	2020
	\$	\$
Resources expended on activities paid to SPH Media Limited, OUE Limited, Singapore Chinese Chamber of Commerce & Industry, Singapore Press Holdings Limited and Focus Publishing Limited	192,287	216,941

	2021	2020
	\$	\$
Staff training course fees paid to Singapore Business Federation and Singapore Management University	12,976	3,355
Other expenses for office lease payment, facilities rental and other charges with Singapore Chinese Cultural Centre	180,216	104,459
Membership income received from Straco Corporation Limited, Yanlord Land Group Limited, City Developments Limited, Tat Hong Holdings Ltd, Singapore Press Holdings Limited, Crystal SL Global Pte Ltd, OUE Lippo Healthcare Limited and OUE Commercial REIT Management Pte Ltd	(6,850)	–
Sponsorship income received from Temasek Capital Management Pte. Ltd and Sing Lun Industrial Pte Ltd.	(50,000)	(80,000)
Programme income received from Singapore Management University	(50)	–
Donation income received from Mr Lee Yi Shyan, Mr Tan Ser Ping, Mr Ng San Tiong, Mr Foo Ji-Xun, Mr Kho Choon Keng, Mr Zhong Sheng Jian, Ms Sun Jie, Mr Wu Hsioh Kwang, Mr Lim Ming Yan, Mr Hu Yee Cheng, Mr Teo Siong Seng, Lian Huat & Company Pte Ltd, Sing Lun Industrial Pte Ltd, City Development Limited, Keppel Care Foundation, Trip.com Travel Singapore Pte Ltd and Tat Hong Holdings Ltd	(315,000)	(54,000)

25 Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company risk management practices are established in close collaboration and consultation with the Finance & Fundraising Committee, which is set up by the Board of Directors.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

The Company has performed an analysis on the credit risk exposure of other receivables and no impairment loss was required to be recognised. The carrying amount relating to grant receivables from Tote Board was 90% (2020: carrying amount relating to grant receivables and receivables arising from redemption of investments was 92%) of other receivables of the Company. Management assessed that the credit risk related to the Tote Board (2020: Tote Board and Central Depository) to be low and amount of expected credit losses to be negligible.

Cash and fixed deposits are placed with banks which impairment has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash at bank and other deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash at bank and other deposits were negligible.

The carrying amount of financial assets in the statement of financial position represents the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of its financial assets.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash funds deemed adequate by the Management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The expected contractual undiscounted cash flow of other payables approximates the carrying amount and are expected to be settled within one year. The expected contracted undiscounted cash flow of other payables expected to be settled between 1 and 5 years are disclosed in Note 14.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency rates, interest rates and equity prices will affect the Company's income on the value of its holding of financial instruments. The objective of the management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Company is not exposed to significant foreign currency exchange rate risk as majority of its transactions are denominated in Singapore dollars.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to fixed deposits placed with financial institutions associated with cash management activities whereby excess funds are placed.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect the Company's financial performance.

Other market price risk

In 2021, the Company was exposed to price risk arising from its investments in equity securities which were designated at FVOCI. These investments were quoted on Singapore Exchange.

Sensitivity analysis for price risk of quoted financial instruments

In 2021, if market prices of the FVOCI financial assets had been 1% higher/lower with all other variables held constant, the Company's fair value reserve would have been \$62,145 higher/lower, arising as a result of higher/lower fair value gain/loss on FVOCI financial assets.

Accounting classification and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Total	Fair value
	FVOCI – equity investments	Amortised cost	Other financial liabilities		Level 1
	\$	\$	\$	\$	\$
2021					
Assets					
Equity investments – at FVOCI	6,214,530	–	–	6,214,530	6,214,530
Debt investment – at amortised cost	–	2,219,731	–	2,219,731	2,216,145
Other receivables (excluding prepayments)	–	1,902,882	–	1,902,882	
Cash at bank and other deposits	–	14,117,134	–	14,117,134	
	<u>6,214,530</u>	<u>18,239,747</u>	<u>–</u>	<u>24,454,277</u>	
Liabilities					
Other payables (excluding deferred income and provisions)	–	–	(627,573)	(627,573)	

	Carrying amount			Fair value	
	FVOCI – equity investments \$	Amortised cost \$	Other financial liabilities \$	Total \$	Level 1 \$
2020					
Assets					
Debt investment – at amortised cost	–	750,353	–	750,353	758,532
Other receivables (excluding prepayments)	–	3,689,736	–	3,689,736	
Cash at bank and other deposits	–	19,607,745	–	19,607,745	
	–	24,047,834	–	24,047,834	
Liabilities					
Other payables (excluding deferred income and provisions)	–	–	(476,817)	(476,817)	

Fair value hierarchy

The table analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** unobservable inputs for the asset or liability.

There were no transfer of financial assets and liabilities between level 1, 2 and 3.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including other receivables, cash at bank and other deposits and other payables) are assumed to approximate their fair values because of the short period to maturity.

