

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

Annual Report
Year ended 31 December 2022

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 2022.

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

- (a) the financial statements set out on pages FS1 to FS32 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2022 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 09 June 2023)</u>
Mr Lawrence Wong	Deputy Prime Minister, Minister of Finance
Mr Chan Chun Sing	Minister of Education
Mr Ong Ye Kung	Minister of Health
Ms Grace Fu Hai Yien	Minister of Sustainability & the Environment
Dr Tan See Leng	Minister of Manpower

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 09 June 2023)</u>
<u>Chairman</u>		
Mr Lee Yi Shyan	1 Oct 2007	Executive Advisor to the Chairman's office, OUE Limited
<u>Board members</u>		
Mr Anthony Tan	01 Oct 2016	CEO, MOH Holdings Pte Ltd
Mr Chee Hong Tat	01 Oct 2016	Senior Minister of State, Ministry of Finance, Ministry of Transport
Mr David Su Tuong Sing	29 Nov 2017	Founding Managing Partner, Matrix Partners China
Mr Foo Ji-Xun	29 Nov 2017	Global Managing Partner, GGV Capital
Mr Hu Yee Cheng	01 Oct 2016	Vice Chairman Asia and Operating Partner, Temasek International Pte Ltd
Mr Kho Choon Keng	01 Oct 2013	Group Executive Chairman, Lian Huat Group
Dr Koh Poh Koon	01 Oct 2016	Senior Minister of State, Ministry of Sustainability and Environment, Ministry of Manpower
Ms Sim Ann	01 Oct 2019	Senior Minister of State, Ministry of National Development, Ministry of Foreign Affairs
Ms Sun Jie	01 Oct 2019	Chief Executive Officer, Trip.com Group, Limited
Mr Zhong Sheng Jian	06 Apr 2009	Chairman & CEO, Yanlord Land Group Limited
Mr Lei Ming	01 Oct 2022	CEO, Kuwo Science and Technology
Mr Png Cheong Boon	01 Oct 2022	Chairman, Singapore Economic Development Board
Mr Lim Hock Chee	01 Oct 2022	Chief Executive Officer, Sheng Siong Group Ltd
Mr Wong Chee Herng	01 Oct 2022	Group Managing Director & CEO, Straits Construction Group Pte Ltd

<u>Name & Position</u>	<u>Date of Appointment</u>	<u>Occupation (as at 09 June 2023)</u>
<u>Board members</u>		
Mr Lim Chee Kean	01 Oct 2022	Chief Executive Officer, Ascent Solutions Pte Ltd
Ms Lee Huay Leng	01 Oct 2022	Editor-in-Chief, Chinese Media Group, SPH Media Ltd
Ms Tin Pei Ling	01 Oct 2022	Director, Corporate Development, GrabTaxi Pte Ltd

As at 31 December 2022, the Directors, Mr Lee Yi Shyan and Mr Zhong Sheng Jian have served on the Board for more than 10 consecutive years from the respective date of their first appointment on 1 October 2007 for Mr Lee Yi Shyan and 6 April 2009 for Mr Zhong Sheng Jian.

The Board has subjected the directorship of Mr Lee Yi Shyan and Mr Zhong Sheng Jian to a conscientious review and evaluated the participation of Mr Lee Yi Shyan and Mr Zhong Sheng Jian 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	100%
Mr David Su Tuong Sing	100%
Mr Foo Ji-Xun	50%
Mr Hu Yee Cheng	75%
Mr Kho Choon Keng	100%
Dr Koh Poh Koon	75%
Ms Sim Ann	25%
Ms Sun Jie	50%
Mr Zhong Sheng Jian	100%
Mr Lim Ming Yan	75% (resigned on 30 Sept 22)
Mr Mark Lee Kean Phi	75% (resigned on 30 Sept 22)
Mr Ng San Tiong	75% (resigned on 30 Sept 22)
Mr Sherman Kwek Eik Tse	75% (resigned on 30 Sept 22)
Mr Tan Ser Ping	75% (resigned on 30 Sept 22)
Mr Teo Siong Seng	75% (resigned on 30 Sept 22)
Mr Wu Hsioh Kwang	75% (resigned on 30 Sept 22)
Mr Lim Hock Chee	25% (appointed on 1 Oct 22)
Mr Lim Chee Kean	25% (appointed on 1 Oct 22)
Ms Lee Huay Leng	25% (appointed on 1 Oct 22)
Mr Lei Ming	25% (appointed on 1 Oct 22)
Mr Png Cheong Boon	25% (appointed on 1 Oct 22)
Ms Tin Pei Ling	25% (appointed on 1 Oct 22)
Mr Wong Chee Herng	25% (appointed on 1 Oct 22)

Structure, governance and management

Ms Tin Pei Ling resigned as Chief Executive Officer of Business China on 2 December 2022.

Mr Ho Chee Hin was appointed as Chief Executive Officer of Business China on 1 January 2023.

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

Mr Hu Yee Cheng
Mr Chia Kim Huat
Ms Eunice Koh
Ms Lee Huay Leng
Mr Ignatius Lim
Mr Sherman Kwek Eik Tse
Mr Thomas Chua Kee Seng
Ms Tin Pei Ling
Mr Wu Hsioh Kwang
Mr Zhong Sheng Jian

Go East Committee

Ms Sim Ann
Mr Chia Kim Huat
Ms Cindy Goh
Mr Foo Jixun
Mdm Heng Boey Hong
Mr Pang Choon How
Mr Sherman Kwek Eik Tse
Ms Tan Bao Jia
Ms Tin Pei Ling
Mr Wong Chee Herng
Mr Wu Hsioh Kwang
Dr Zhou Zhao Cheng

Business Leaders Group Committee

Dr Koh Poh Koon
Mr Foo Jixun
Mr Calvin Cheng Ern Lee
Mr David Su Tuong Sing
Mr Lee Yi Shyan
Mr Lei Ming
Ms Lim Sau Hoong
Mr Liang Xinjun
Ms Sun Jie
Ms Tin Pei Ling

Strategic Communications Committee

Mr Anthony Tan
Mr Chen Hwai Liang
Mr Chua Chim Kang
Ms Lim Sau Hoong

Audit Committee

Mr Wong Chee Herng
Mr Lim Chee Kean
Mr Ignatius Lim

Finance & Fundraising Committee

Mr Kho Choon Keng
Mr Zhong Sheng Jian
Mr Lim Hock Chee
Mr Ng San Tiong

Nomination & Remuneration Committee

Mr Png Cheong Boon
Mr Hu Yee Cheng
Mr Lee Yi Shyan

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 2022, Business China organised 66 activities, attended by 5,682 participants. Details of the activities are provided below.

Board Strategy Review and Planning

In line with Business China's Mission and Vision, the Company organises activities which support the strategic objectives below:

- (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 cultivate and expand its pool of Singapore-China-savvy talents, through Business China's programmes and platforms, with a continued focus on bilingualism and biculturalism. Below are some of the initiatives:

1) Awareness forums

Large-scale forums are held regularly to keep Business China members updated on general topics of interest on China, Singapore, and the region. The forums also include those organised specifically for youths. The objectives of forums are:

- To share the latest developments in and updates on the Chinese markets, and general trends and topics of interests related to Singapore and the region.
- To raise public awareness of Business China and its objectives.
- To recruit new corporate and individual members to join Business China.

Some of the forums in Business China conducted in 2022 included:

(a) "Decoding China's Two Sessions" Forum

Business China and Lianhe Zaobao jointly organised the "Decoding China's Two Sessions 2022" forum. The forum was held in a hybrid format on 7 April 2022 and was attended by a total of 339 participants physically and virtually. Academics, economists and industry players were invited to share their insights and views about the Chinese government's announcements during the "Two Sessions" meetings held in March 2022.

(b) China Studies Perspective (CSP) Forum

The 6th edition of the bilingual China Studies Perspective (CSP) Forum, titled "China's Dual Circulation Strategy: Opportunities and Challenges", was organised in a hybrid manner on 27 April 2022 at River Valley High School. Mr Alvin Tan, Minister of State for Culture, Community and Youth, and Trade and Industry, graced the forum as the Guest-of-Honour.

The forum attracted 275 participants who attended in-person and on Zoom.

(c) Singapore Digital Economy Forum 2022

The inaugural Business China Singapore Digital Economy (SDE) Forum was held from 16 August 2022 to 24 August 2022. A total of 491 participants took part in the SDE Forum in-person and virtually.

This SDE Forum consisted of a two-day Public Masterclass from 16 to 17 August 2022, a Youth Masterclass on 18 August 2022, a Public Forum on 23 August 2022, and a Closed-Door Roundtable on 24 August 2022.

Themed “The Bridge between the Physical and Virtual Economy”, the forum explored topics such as Web 3.0 development, building a digital nation and identity, and privacy protection in the metaverse, through a series of talks by experts, professionals, and key industry players. It discussed the importance of safeguarding the interests of all stakeholders and ensuring an optimum ecosystem that allows the physical and virtual economy to co-exist. The event also provided a platform for industry players and government officials to exchange ideas on balancing innovation and regulation.

In particular, the Public Forum on 23 August 2022 was graced by Mrs Josephine Teo, Minister for Communications and Information, and a total of 364 participants joined the event physically and virtually.

(d) Business China Youth Forum 2022

The fourth edition of the Business China Youth Forum (BCYF) was successfully held in tandem with the FutureChina Global Forum (FCGF) on 7 October 2022, at the Sands Expo and Convention Centre at Marina Bay Sands.

The theme of the BCYF was, “Trailblazers in a Turbulent World: Navigating Uncertainties in ASEAN and China.”

Mr Chee Hong Tat, Senior Minister of State for Finance and Transport, graced the forum as the Guest-of-Honour. In his opening address, Mr Chee stressed that Singaporean youths must strive to stand out with their unique value propositions.

The topics discussed at the forum included:

- Dawn of the Metaverse: Applications of Web 3.0 in Forging Opportunities.
- Paving the Way Forward: Understanding Youth’s Role in Driving Environmental Sustainability.
- Insights from Youths Leveraging Technology to Improve Food Security.

The forum was conducted in a hybrid format and saw a good response with more than 231 participants.

2) Youth China Readiness Engagement Programme

The Youth China Readiness Engagement programme is a series of activities to engage Institute of Higher Learning (IHL) students and young working adults.

These sessions aim to:

- Cultivate and promote an interest in bilingualism and biculturalism among youths.
- Ignite passion among youths 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 nurturing their bilingual skills and deepening their understanding of China.
- Provide a platform for Business China Youth Chapter (BCYC) 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 invites experienced speakers and influential figures, armed with deep knowledge and experience in their respective fields, to share their insights on an array of topics curated for youths.

The topics include:

- Understanding of the China Market,
- Singapore-China Relations,
- History and Culture,
- Technology and New Trends, and
- Career Advancement, Future Readiness/Practical Skills.

Through this series, Business China aims to prepare and equip youths to be career and global-ready.

There were 5 Youth Series events conducted in 2022 and these were all physical, face-to-face events. The events attracted a total of 160 participants, comprising students and staff from various institutions as well as young working adults from varied backgrounds.

S/n	Date	Topic / Title	Speaker(s)	Theme(s)	No. of Attendees
1	7 July 2022	When Philanthropy meets NFTs (当公益与 NFT 擦出火花)	Mr Miao Shiming, Founder of WABC Foundation	Technology and New Trends	25
2	18 August 2022	Singapore Digital Economy Forum – Youth Masterclass: The Bridge between Physical World & Metaverse	Ms Mary Ma, Founder of MixMarvel Mr Zack Zhang, Founder of JoJo World Mr Wang Pengyu, Founder of Particle Network Mr Patrick Low, Principal Architect, CTO Office of the Huawei Cloud & AI BU, APAC	Technology and New Trends	34
3	27 August 2022	Dialogue with Hua Shan & “The Sun Tzu’s Art of War” (对话华衫: 读透《孙子兵法》, 开启智慧之门)	Mr Hua Shan, Co-founder of Hua&Hua Marketing Consultancy Ltd.	Future Readiness/ Practical Skills History and Culture	60

S/n	Date	Topic / Title	Speaker(s)	Theme(s)	No. of Attendees
4	29 September 2022	Chinese Culture and CV Writing Workshop	Ms Lilly Wong, Coach from Hauz Academy Ms Celine Li, Vice President, Client Solution at Korn Ferry	Career Advancement Future Readiness/ Practical Skills	32
5	5 November 2022	Dialogue with Eric Sim: Small Actions that change life (对话沈从文: 改变人生剧本的小行动)	Mr Eric Sim, Founder of the Institute of Life and key opinion leader on LinkedIn	Career Advancement Future Readiness/ Practical Skills	56

(b) Outreach sessions for youth

The outreach sessions for youth are done on an ad-hoc basis when schools invite Business China to organise talks for the students. The programme would include an introduction to Business China and its mandate, and cover the contemporary developments of China. Sometimes youth speakers (including Business China Youth Chapter members) who have lived, worked or studied in China would also be invited to share their overseas experience with the students. Such sessions help to raise awareness of Business China's initiatives and programmes among youths.

Four outreach sessions were organised in 2022.

S/n	Date	Topic	School	No. of Attendees
1	13 January 2022	Promoting China-Singapore Exchanges	National Junior College	23
2	1 June 2022	Technology Experience in China	Millennia Institute	31
3	14 November 2022	Study Experience in China and Chinese Internet Slang	Eunoia Junior College	35
4	15 November 2022	Promote greater exposure for students to ASEAN and China	Ministry of Education	51

(c) Business China Youth Chapter (BCYC)

As of 31 December 2022, the BCYC had a total of 259 members. The BCYC has continued to expand its membership base with activities targeted at engaging and providing platforms for youths to build meaningful connections within the Singapore community, and with peers in China.

Some of the BCYC activities in 2022 included:

- 1 BCYC New Year Welcome Gathering
- 1 Closed-Door Dialogue Session
- 4 “Xchange” sessions focused on Chinese culture

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

A total of 123 participants participated in the activities organised by BCYC – either virtually or in person.

(d) Business China Liaison Officer Programme

The Business China Liaison Officer Programme offers youths first-hand experience in organising Business China flagship events. As a speaker liaison officer, youths can directly interact with the esteemed speakers while contributing towards providing a seamless speaker experience for the event.

In 2022, liaison officers were recruited for the Singapore Digital Economy (SDE) Forum in August and the FutureChina Global Forum (FCGF) in October. A total of 75 young working adults and students from tertiary institutions served as liaison officers for these flagship events.

(e) Engagement with university in China

Although overseas immersion programmes remained suspended in 2022, Business China supported the "Online International Summer Camp on E-commerce" organised by Sun Yat-sen University.

The online camp took place from 17 - 30 July 2022 and enabled youths to gain insights into China's burgeoning e-commerce market through a series of online courses, virtual company visits, and sharing sessions by company executives.

A total of 89 participants from Singapore attended the course, along with participants from over 20 countries.

(f) Partnership activities

In 2022, Business China collaborated with several partners to organise events such as:

- "Singaporean Trailblazers Abroad (China edition)" with Mothership.sg,
- "Chinese New Year Gathering" for Singaporean and Chinese youths, in collaboration with the OSG Youth Alliance, and
- "Eye on Asia" Webinar in March 2022 with the National Library Board.

In all, 1,496 youths benefitted from these events which promoted bicultural understanding and exchanges among youths and working professionals.

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

COVID-19 travel restrictions in 2022 meant it was not possible to send Singaporean youths to China for internships on the Singapore-China Youth Interns Exchange Scheme (YES).

Hence, Business China launched the Virtual Corporate Project & Training Programme to enable Singaporean youths to work on industry projects with Chinese counterparts, receive workshop training by professional managers on industry knowledge and practices, and learn about China and the Chinese working culture.

As of 31 December 2022, a total of 66 Singaporean youths had participated in the programme.

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

The second objective of Business China is 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.
Some of the initiatives included:

1) Prominent Business Leaders

One of Business China's aims is to build a premier platform to engage prominent business leaders (PBLs) from Singapore and China. In 2022, Business China continued to maintain close ties with its core group of PBLs.

Business China worked with PBLs to curate programmes and platforms to enable them to share their vast knowledge and experience of the Chinese and ASEAN markets with Business China's members. PBLs also gave back to the local community through their participation in grassroots events and donations to various social causes in Singapore.

One of the key platforms organised by Business China was the Prominent Business Leaders Dialogue Series (PBLDS) in 2022.

Two sessions were organised on 24 February 2022 and 26 April 2022, featuring the Co-Founder and CEO of Sheng Siong Group Limited, Mr Lim Hock Chee, and the Chairman of Diners Club Singapore, Mr Charles Huang Xisheng, respectively. The topics of the two events were as follows:

- 24 February 2022:
"Against All Odds: The Success and Outlook of Sheng Siong Group"
- 26 April 2022:
"Opportunities and Challenges in China's Digital Payment Innovations"

Both sessions were closed-door hybrid events attended by Business China members only. A total of 163 and 62 participants attended the first and second session respectively.

Besides PBLDS, the PBLs also supported Business China's flagship events like the Singapore Digital Economy Forum and the FutureChina Global Forum. They provided advice on the programme and content for the events and helped to connect Business China with renowned speakers through their network.

Through these activities, the PBLs helped to strengthen the cooperation between Singapore, China and ASEAN, nurture new generations of business leaders, and support the Singapore business community. Their contributions – in both funding and personal time – supported Business China's mission and furthered the relationships between Singapore and China.

2) Distinguished Leaders Dialogue Series (DLDS)

Business China organised one session of the Distinguished Leaders Dialogue Series (DLDS) on 1 July 2022, featuring Minister for Manpower, Dr Tan See Leng. Titled “Innovations in Talent Management for Economic Sustainability”, this closed-door physical event was attended by 63 Singaporean Business China members.

The DLDS 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 top Singapore-China savvy leaders with deep political and business links.
- Provide an avenue for business leaders to share ideas and feedback with Singapore government leaders.

3) Advanced Leaders Programme (ALP)

The Advanced Leaders Programme (ALP) is an exclusive programme that aims to equip business leaders with an insider's perspective of China's latest development and transformation. Graduates of the programme form the ALP Alumni network, which is made up of next-generation business leaders, senior executives, professionals, and senior public officers.

Due to the COVID-19 pandemic and its related travel restrictions, the ALP was not held in 2022. However, an ALP Alumni study trip to Vietnam was organised for continued engagement with the Alumni members, and to provide them with access to first-hand knowledge of China in the Southeast Asia region.

Incorporating the Programme’s objectives to nurture “Singapore-China savviness”, the trip was curated to allow delegates to understand China’s economic and business engagements in Southeast Asia through Vietnam, and examine the upward trend behind China’s Foreign Direct Investment (FDI) in the country in recent years. Visits to both key Vietnamese enterprises, and Chinese enterprises in Vietnam, and networking sessions with Chambers of Commerce were organised.

A total of 15 delegates, led by Senior Minister of State for Sustainability and the Environment, and Manpower, Dr Koh Poh Koon, took part in the ALP Alumni trip to Ho Chi Minh City, Vietnam from 20 October to 23 October 2022.

In addition, Business China organised an ALP Alumni Annual Dinner held on 22 September 2022. This marked the first time that all the ALP Alumni batches from 2012 to 2019 had gathered after the pandemic started.

The dinner was graced by Board Adviser and Minister for Health, Mr Ong Ye Kung, who spoke to Alumni members on China’s economy, the impacts of its “Zero-COVID” policy and its development in various industries.

4) Young Business Leaders (YBLs)

Business China's Young Business Leaders (YBLs) network consists of past participants of the organisation's annual Advanced Leaders Programme (ALP).

The YBLs share their experiences with younger entrepreneurs, start-ups or students interested to strike out on their own. The group aims to:

- Share insights into their respective industries and the external factors (e.g. geopolitical changes) affecting their business decisions with younger entrepreneurs or start-ups.
- Nurture young potential business leaders who are bilingual and interested in the Chinese markets.

In 2022, YBLs in the Web3 sector supported the Singapore Digital Economy Forum's youth masterclass as speakers. The YBLs shared their learning journeys with BCYC members and students from various IHLs.

To further strengthen the network of YBLs, Business China supported 7 events organised by the ALP Alumni, which were attended by a total of 132 YBLs. These included a get-together on 26 August 2022 with Mr Hua Shan, founding partner of Hua&Hua, a leading strategic branding and marketing consultancy firm in China. Mr Hua spoke to the YBLs on how to build a brand in the Chinese market.

5) Business Forums

Business China's flagship business forums, such as the 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 FCGF, held annually, offers participants with a deeper understanding of how China was evolving, with discussions on the trends, forces and factors shaping China's orientations in the economic, political, social, and cultural paradigms.

The BCA, held once every two years, honours outstanding businessmen, entrepreneurs, professionals and organisations for their successes and contributions to Singapore-China relations, as well as the strengthening of bilingualism and biculturalism in Singapore.

Both events strive to:

- Reinforce Singapore and China's strong economic relations and further explore bilateral collaboration opportunities.
- Position China as an important market and encourage multilateral economic activities with Singapore as the nexus connecting China, ASEAN and the world.
- Share interesting insights and perspectives on different topics that could include:
 - Business and Economy
 - Science and Technology
 - Governance and Society
 - Global Relations
- 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 Forum 2022 (FCGF 2022)

FCGF 2022 was held as a hybrid event from 6-7 October 2022. It comprised a total of 15 sessions with more than 45 internationally esteemed speakers and dignitaries such as:

- Fang Wei, Jiangsu Provincial People's Government Vice Governor.
- Liu Shijin, Chinese Chief Advisor for China Council for International Cooperation on Environment and Development.
- Randall Kroszner, Deputy Dean for Executive Programs and Norman R. Bobins Professor of Economics, University of Chicago Booth School of Business.
- Sir Danny Alexander, Vice President for Policy and Research, Asian Infrastructure Investment Bank.

The theme for FCGF 2022 was "Stability amidst Turbulence", and Deputy Prime Minister and Minister for Finance, Mr Lawrence Wong, graced the opening ceremony as Guest-of-Honour and gave a keynote speech.

To celebrate Business China's 15th anniversary, Mr Teo Chee Hean, Senior Minister and Coordinating Minister for National Security, attended the Gala Dinner as the Guest-of-Honour. Mr Teo also participated in a fireside chat moderated by Temasek Vice Chairman Asia and Operating Partner Mr Robin Hu.

In addition, Minister for Trade and Industry, Mr Gan Kim Yong, was the Special Guest for a close-door roundtable session, co-organised by Business China and Bank of China. During the session, Business China corporate members and members of the China Enterprises Association (CEA) shared their views about China companies going global, specifically in Southeast Asia.

A ticketed masterclass titled "Greening the supply chain" was also held one day before the FCGF, in partnership with Lazada, Oracle, OCBC Bank, YCH Group, and experts from the companies.

FCGF 2022 attracted a total of 808 foreign dignitaries, government officials, industry experts, senior management of companies, Business China members, donors, and partners, representing a wide range of sectors from Singapore, China, ASEAN, the US, and Europe. The Forum also received extensive coverage in both local and Chinese media.

(b) 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 was produced in collaboration with renowned public leaders, corporate management, business leaders, professionals, think tanks and/or domain experts, and provided a platform for them to share their insights and perspectives about evolving issues or developments in their areas of expertise.

On 9 September 2022, Business China co-organised a webinar with the Singapore International Chamber Of Commerce (SICC) themed “Striving for Stability - A Multilateral Recovery from the Pandemic”. The speakers analysed China’s annual “Two Sessions” meetings and GDP target, including the impact of the policies implemented by China and ASEAN countries to accelerate economic recovery in 2022. The webinar drew a total of 42 participants.

(iii) Develop deep and wide-ranging relationships

Business China’s third objective is to organise programmes and events to cultivate meaningful and lasting relationships with target audience groups, connect groups with shared interests and facilitate bilateral collaborations.

1) Business China 15th Anniversary Appreciation Ceremony

Business China celebrated its 15th Anniversary in 2022. Graced by Emeritus Senior Minister, Mr Goh Chok Tong, the appreciation ceremony was attended by 167 current and former Board Advisors and Members, as well as Business China’s network of Prominent Business Leaders, Young Business Leaders and corporate members.

The event also featured a panel discussion with Mr Lee Yi Shyan (Business China’s Chairman), Mr Lim Swee Say (Singapore’s Former Minister for Manpower), Mr Zhong Sheng Jian (Founder of Yanlord Group), Mr Cheng Jun (Bank of China (Singapore) General Manager), and Ms Tan Bao Jia (Singapore President’s Scholar). The panellists discussed the importance of bilingualism and biculturalism, in line with Business China’s mission and vision.

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 put in place the Enterprise Risk Management framework in order 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



Wong Chee Herng
Director

9 June 2023



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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 2022, 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 FS32.

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 2022 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 on the other information obtained prior to the date of this auditors' report, 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.

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 control 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.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
9 June 2023

Statement of financial position
As at 31 December 2022

	Note	2022 \$	2021 \$
Non-current assets			
Property, plant and equipment	4	405,097	222,522
Investments	5	9,009,588	8,434,261
		<u>9,414,685</u>	<u>8,656,783</u>
Current assets			
Other receivables	6	1,866,434	1,923,953
Cash at bank and other deposits	7	6,516,226	9,106,892
Deposits with financial institutions	7	7,010,247	5,010,242
		<u>15,392,907</u>	<u>16,041,087</u>
Total assets		<u>24,807,592</u>	<u>24,697,870</u>
Capital and accumulated fund			
Capital	8	—	—
General Fund	9	18,440,731	18,642,469
Summer School Scholarship Programme Fund	10 (a)	100,000	100,000
Internship Programme Fund	10 (b)	5,149,005	5,150,756
Fair value reserve	11	(552,250)	(111,970)
		<u>23,137,486</u>	<u>23,781,255</u>
Current liabilities			
Other payables	13	1,247,673	693,182
Lease liabilities	14	108,175	115,982
		<u>1,355,848</u>	<u>809,164</u>
Non-current liabilities			
Other payables	13	89,693	84,080
Lease liabilities	14	224,565	23,371
		<u>314,258</u>	<u>107,451</u>
Total liabilities		<u>1,670,106</u>	<u>916,615</u>
Total fund and liabilities		<u>24,807,592</u>	<u>24,697,870</u>

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

Statement of comprehensive income
Year ended 31 December 2022

	Note	General Fund \$	Internship Programme Fund \$	Total \$
2022				
Income				
Donations	15	1,003,106	–	1,003,106
Grant income	16	1,731,185	1,168	1,732,353
Sponsorship income	17	893,168	–	893,168
Programme income		60,007	–	60,007
Distribution income from investments		222,322	–	222,322
Interest income from banks and investments	18	85,680	–	85,680
Other income	19	106,959	–	106,959
Total income		<u>4,102,427</u>	<u>1,168</u>	<u>4,103,595</u>
Expenses				
Staff costs	20	(2,002,677)	–	(2,002,677)
Resources expended on activities	21	(1,462,104)	(2,919)	(1,465,023)
Depreciation		(175,855)	–	(175,855)
General publicity		(272,384)	–	(272,384)
Interest expenses		(5,279)	–	(5,279)
Other expenses	22	(385,866)	–	(385,866)
Total expenses incurred		<u>(4,304,165)</u>	<u>(2,919)</u>	<u>(4,307,084)</u>
Deficit before income tax		(201,738)	(1,751)	(203,489)
Income tax expense	23	–	–	–
Deficit for the year		<u>(201,738)</u>	<u>(1,751)</u>	<u>(203,489)</u>
Other comprehensive loss – item that will not be reclassified to profit or loss:				
Equity investments at FVOCI – net change in fair value		(440,280)	–	(440,280)
Other comprehensive loss, net of tax		<u>(440,280)</u>	<u>–</u>	<u>(440,280)</u>
Total comprehensive deficit for the year		<u>(642,018)</u>	<u>(1,751)</u>	<u>(643,769)</u>

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

Statement of comprehensive income
Year ended 31 December 2022

	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 changes in equity
Year ended 31 December 2022

	General Fund			Programme Funds			Total
	Accumulated fund \$	Fair value reserve \$	Total \$	Summer School Scholarship Programme Fund \$	Internship Programme Fund \$	Total \$	Total \$
At 1 January 2021	18,212,703	–	18,212,703	100,000	5,143,295	5,243,295	23,455,998
Total comprehensive surplus for the year							
Surplus for the year	429,766	–	429,766	–	7,461	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	7,461	325,257
At 31 December 2021	18,642,469	(111,970)	18,530,499	100,000	5,150,756	5,250,756	23,781,255
At 1 January 2022	18,642,469	(111,970)	18,530,499	100,000	5,150,756	5,250,756	23,781,255
Total comprehensive deficit for the year							
Deficit for the year	(201,738)	–	(201,738)	–	(1,751)	(1,751)	(203,489)
Other comprehensive loss	–	(440,280)	(440,280)	–	–	–	(440,280)
Total comprehensive deficit for the year	(201,738)	(440,280)	(642,018)	–	(1,751)	(1,751)	(643,769)
At 31 December 2022	18,440,731	(552,250)	17,888,481	100,000	5,149,005	5,249,005	23,137,486

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

Statement of cash flows
Year ended 31 December 2022

	Note	2022	2021
		\$	\$
Cash flows from operating activities			
Cash receipts from:			
Donations		1,003,106	1,898,000
Sponsorship income		893,168	801,350
Programme income		60,007	–
Grant income		1,808,362	3,405,308
Other income		69,448	297,490
		<u>3,834,091</u>	<u>6,402,148</u>
Cash paid to:			
Suppliers and employees		<u>(3,580,036)</u>	<u>(3,981,616)</u>
Net cash from operating activities		<u>254,055</u>	<u>2,420,532</u>
Cash flows from investing activities			
Distribution received		222,322	–
Interest received		85,365	89,590
Purchase of investments		(1,765,647)	(7,795,878)
Proceed from redemption of investment		750,040	–
Purchase of property, plant and equipment		<u>(8,871)</u>	<u>(74,961)</u>
Net cash used in investing activities		<u>(716,791)</u>	<u>(7,781,249)</u>
Cash flow from financing activity			
Repayment of lease liabilities and interest	14	<u>(127,925)</u>	<u>(129,894)</u>
Net cash used in financing activity		<u>(127,925)</u>	<u>(129,894)</u>
Net decrease in cash at bank and other deposits		<u>(590,661)</u>	<u>(5,490,611)</u>
Cash at bank and other deposits at beginning of year		<u>14,117,134</u>	<u>19,607,745</u>
Cash at bank and other deposits at end of year	7	<u>13,526,473</u>	<u>14,117,134</u>

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 9 June 2023.

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 2026.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (‘FRS’). 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

These financial statements are presented in Singapore dollars which is the Company’s functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 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 – Grant receivable and deferred grant.

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 2022:

- Amendment to FRS 116: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendment to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendment to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

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 or minus, for an item not at fair value through profit or 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. 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 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.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Company updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applies the policies on accounting for modifications to the additional changes.

(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.

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.

4 Property, plant and equipment

	Office renovation \$	Office equipment \$	Computer equipment \$	Furniture and fittings \$	Right-of-use assets \$	Total \$
Cost						
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
At 1 January 2022	72,396	22,750	259,758	70,596	464,265	889,765
Additions	—	2,901	5,970	—	350,912	359,783
Disposals	(32,993)	—	(26,083)	—	—	(59,076)
Reclassification	(22,300)	—	—	—	22,300	—
At 31 December 2022	17,103	25,651	239,645	70,596	837,477	1,190,472
Accumulated depreciation						
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
At 1 January 2022	57,211	22,750	219,958	34,478	332,846	667,243
Depreciation charge for the year	13,005	288	34,905	8,711	118,946	175,855
Disposals	(31,640)	—	(26,083)	—	—	(57,723)
Reclassification	(22,300)	—	—	—	22,300	—
At 31 December 2022	16,276	23,038	228,780	43,189	474,092	785,375
Carrying amounts						
At 1 January 2021	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
At 31 December 2022	827	2,613	10,865	27,407	363,385	405,097

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 \$
2022			
Balance at 1 January	101,794	29,625	131,419
Additions	350,912	–	350,912
Depreciation charge for the year	(111,540)	(7,406)	(118,946)
Balance at 31 December	341,166	22,219	363,385
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

5 Investments

	2022 \$	2021 \$
Equity investments – at FVOCI:		
- DBS Perpetual Securities	2,940,000	3,139,530
- UOB Perpetual Securities	2,887,500	3,075,000
- OCBC Perpetual Securities	1,456,500	–
	7,284,000	6,214,530
Debt investments – at amortised cost:		
- NEA Bonds	1,472,588	1,469,691
- NTUC FairPrice Bonds	253,000	–
- HDB Bonds	–	750,040
	1,725,588	2,219,731
	9,009,588	8,434,261

Equity investments designated as FVOCI

- *DBS Perpetual Securities*
 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 Securities*
 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.
- *OCBC Perpetual Securities*
 On 29 June 2022, the Company invested in 1,500,000 non-cumulative, non-convertible perpetual capital securities. These securities have an effective distribution rate of 3.90% per annum.

These investments have discretionary distribution, and 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 pertained to HDB bonds invested on 21 February 2017 at a premium of \$1,500. The bonds matured on 21 February 2022. These bonds had fixed interest rate of 2.2325% per annum.
- *NEA Bonds*
 Debt investment classified as amortised cost pertains to NEA bonds invested on 5 October 2021 and 11 November 2021. The bonds are due on 15 September 2031. These bonds have fixed interest rate of 1.67% per annum.
- *NTUC FairPrice Bonds*
 Debt investment classified as amortised cost pertains to NTUC FairPrice bonds invested on 16 June 2022. The bonds are due on 24 May 2029. These bonds have fixed interest rate of 3.46% per annum.

Distribution income from investments

	2022	2021
	\$	\$
Distribution income:		
- DBS perpetual securities	112,203	—
- UOB perpetual securities	84,155	—
- OCBC perpetual securities	25,964	—
	<u>222,322</u>	<u>—</u>

6 Other receivables

	2022 \$	2021 \$
Deposit	54,677	43,977
Interest receivable	48,353	48,038
Other receivables	6,816	12,025
Accrued grant receivable (see Note 12)	1,722,833	1,798,842
	1,832,679	1,902,882
Prepayments	33,755	21,071
	1,866,434	1,923,953

7 Cash at bank and deposits with financial institutions

	2022 \$	2021 \$
Cash at bank	6,516,226	9,106,892
Deposits with financial institutions	7,010,247	5,010,242
	13,526,473	14,117,134

The weighted average effective interest rate per annum relating to cash and bank and other deposits at the reporting date is 2.95% (2021: 0.52%). Interest rates reprice at intervals of three, six, nine or twelve months.

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 2.95% (2021: 0.52%). These deposits are held for the purpose of meeting short-term cash commitments.

8 Capital

The Company is a public company limited by guarantee and does not have any issued share capital. As at 31 December 2022, the Company has 18 (2021: 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

	2022 \$	2021 \$
Unrestricted fund ('Reserve')	18,440,731	18,642,469
Ratio of 'Reserve' to Annual Operating Expenditure	4.28	4.32

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

	2022 \$	2021 \$
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

	2022 \$	2021 \$
Internship Programme Fund	5,149,005	5,150,756

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:

- 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.
- 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.
- 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

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 Grant receivable and deferred grant

	Note	2022 \$	2021 \$
Accrued grant receivable			
- Tote Board		1,722,833	1,728,842
- Singapore Tourism Board		—	70,000
	6	<u>1,722,833</u>	<u>1,798,842</u>
Grant income recognised in profit or loss	16	<u>1,722,833</u>	<u>1,798,842</u>
Other payables			
- National Council of Social Service		—	960
	13	<u>—</u>	<u>960</u>

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 Company has entered into a 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. As of 31 December 2022, there is unutilised grant balance of \$3,477,167 relating to the \$5,200,000 grant approved by the Tote Board. In prior year, there is unutilised grant balance of 2021: \$2,245,348.

The Company recognised grant income of \$1,722,833 (2021: \$1,728,842) during the current financial year, representing 40% of the claim for cost reimbursement in respect of 2022'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. Tote Board finalised the 2021 grant of \$1,728,840 and these amounts have been approved and disbursed to the Company on 17 November 2022.

Estimation of grant income

Management uses judgement to determine the grant income at each reporting date. The estimates 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.

13 Other payables

	2022 \$	2021 \$
Current		
Accrued employer's CPF contribution	48,913	58,528
Accrued unutilised leave	31,742	42,171
Accrued operating expenses	1,106,476	526,874
	1,187,131	627,573
Deferred income – membership fees	60,542	64,649
Deferred government grant income (see Note 12)	–	960
	1,247,673	693,182
Non-current		
Provision for site restoration costs	56,066	22,540
Deferred income – membership fees	33,627	61,540
	89,693	84,080
Other payables	1,337,366	777,262

	2022 \$	2021 \$
Provision for site restoration costs		
At 1 January	22,540	22,540
Additions	33,526	–
At 31 December	56,066	22,540

Provision for restoration costs are expected to be utilised in 2025.

14 Lease liabilities

	2022	2021
	\$	\$
Current	108,175	115,982
Non-current	224,565	23,371
	<u>332,740</u>	<u>139,353</u>

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

	2022	2021
	\$	\$
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	122,530	119,768
Between 1 and 5 years	235,548	25,200
Total undiscounted lease liabilities at 31 December	<u>358,078</u>	<u>144,968</u>

Lease liabilities included in the balance sheet at 31 December

Repayable:		
Within 1 year	108,175	115,982
Between 1 and 5 years	224,565	23,371
	<u>332,740</u>	<u>139,353</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 2022.

Amounts recognised in statement of cash flows relating to lease liabilities

	2022	2021
	\$	\$
Total cash outflow for lease, including interest	<u>127,925</u>	<u>129,894</u>

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

	2022	2021
	\$	\$
Balance at 1 January	139,353	235,981
Repayment of lease liabilities and interest	(127,925)	(129,894)
Interest on lease liabilities	5,279	10,179
New leases	317,386	37,032
Leases written off	(1,353)	(13,945)
Balance at 31 December	<u>332,740</u>	<u>139,353</u>

15 Donations

	2022 \$	2021 \$
Non tax-deductible donations	100,000	100,000
Tax deductible donations from:		
- Directors	–	150,000
- Others	903,106	1,648,000
	<u>1,003,106</u>	<u>1,898,000</u>

16 Grant income

	Note	2022 \$	2021 \$
Tote Board	12	1,722,833	1,728,842
Singapore Tourism Board		–	70,000
SGUnited		–	31,588
Charities Capability Fund		9,520	9,519
		<u>1,732,353</u>	<u>1,839,949</u>

17 Sponsorship income

	2022 \$	2021 \$
Sponsorship income	<u>893,168</u>	<u>801,350</u>

18 Interest income from banks and investments

	2022 \$	2021 \$
Interest income from deposits with banks	55,000	25,941
Interest income from investments	30,680	21,472
	<u>85,680</u>	<u>47,413</u>

19 Other income

	2022 \$	2021 \$
Jobs Support Scheme	–	90,312
Government-paid childcare and maternity leave	1,903	–
Membership fees	78,220	78,753
Special employment and wages credit	24,102	1,686
Jobs Growth Incentive	2,734	–
Sundry income	–	1,864
	<u>106,959</u>	<u>172,615</u>

20 Staff costs

	2022 \$	2021 \$
Salaries and bonuses	1,782,019	1,898,915
Contributions to defined contribution plans	220,658	235,030
	<u>2,002,677</u>	<u>2,133,945</u>
Included in the amount above are key management personnel compensation comprising:		
Short-term employee benefits	1,034,465	1,187,866
Post-employment benefits	110,551	134,939
	<u>1,145,016</u>	<u>1,322,805</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:

	2022	2021
\$0 – \$100,000	4	6
\$100,001 – \$200,000	4	4
\$200,001 – \$300,000	<u>2</u>	<u>1</u>

The disclosure on banding of key managements' remuneration is made in accordance to Code of Governance issued by the Charity Council, April 2023.

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 (2021: none).

21 Resources expended on activities

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

	2022	2021
	\$	\$
Activities:		
- Business China Youth Engagement activities	103,814	72,675
- Business Leaders' Forums and engagement activities	1,358,290	1,004,557
Spring Reception	–	5,317
Internship programme	2,919	3,450
Special projects:		
- Business China Awards	–	348,629
- Commemorative microsite for 30 th anniversary of China-Singapore	–	43,446
Total expenses incurred on activities	<u>1,465,023</u>	<u>1,478,074</u>

22 Other expenses

Other expenses comprised the following:

	2022	2021
	\$	\$
Audit fees paid/payable to:		
- auditors of the Company	48,000	44,000
Non-audit fees paid/payable to:		
- other auditors	34,000	34,000
Annual system maintenance	69,888	85,804
Printing and stationery	2,924	2,015
Professional fees	17,468	52,148
Office cleaning, maintenance, and utility charges	53,330	54,566
GST expenditure	95,093	94,801
Short-term leases	8,550	1,770
Refreshments for meetings	18,201	6,486
Telecommunication	7,597	6,581
Transportation	13,972	9,477
Overseas Travelling	<u>7,299</u>	<u>–</u>

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:

	2022	2021
	\$	\$
Resources expended on activities paid to Mediacorp Pte Ltd, Singapore Chinese Cultural Centre, Singapore Press Holdings Limited and Focus Publishing Limited	2,310	192,287
General publicity paid to SPH Media Limited	325	—
Staff training course fees paid to Singapore Management University and Singapore Business Federation	100	12,976
Other expenses for office lease payment, facilities rental and other charges with Singapore Chinese Cultural Centre	171,597	180,216
Membership income received from Nanyang Technological University, Yanlord Land Group Limited, Singapore Exchange Limited, OUE Lippo Healthcare Limited, OUE Commercial REIT Management Pte Ltd, OUE Limited, Straco Corporation Limited, , City Developments Limited, Tat Hong Holdings Ltd, Singapore Press Holdings Limited, Crystal SL Global Pte Ltd and Singapore Telecommunications Ltd	(9,334)	(6,850)
Sponsorship income received from Temasek Capital Management Pte. Ltd. and Yanlord Land Group Limited	(70,000)	(50,000)
Programme income received from Singapore Management University	—	(50)
Donation income received from Mr Kho Choon Keng, Mr Zhong Sheng Jian, Mr Wu Hsioh Kwang, City Development Limited, Keppel Care Foundation, Trip.com Travel Singapore Pte Ltd and Tat Hong Holdings Ltd	—	(315,000)

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 Audit 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 92% (2021: carrying amount relating to grant receivables and receivables arising from redemption of investments was 90%) of other receivables of the Company. Management assessed that the credit risk related to the Tote Board (2021: Tote Board) 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 also maintains an investment account with a financial institution to manage the Company's equity and debt instruments. The Company considers that its cash at bank, other deposits and investment account 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 expected to be settled between 1 and 5 years are disclosed in Note 13. The contractual undiscounted cash flow of lease liabilities are expected to be settled between 1 and 5 years, and 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

The Company was exposed to price risk arising from its quoted investments in debt instruments and equity securities which were classified as amortised cost and designated at FVOCI respectively. These investments were quoted on Singapore Exchange.

Sensitivity analysis for price risk of quoted financial instruments

If market prices of the investments in equity securities had been 1% higher/lower with all other variables held constant, the Company's fair value reserve would have been \$72,840 (2021: \$62,145) higher/lower, arising as a result of higher/lower fair value gain/loss on FVOCI financial assets.

Notwithstanding that the investments in debt instruments are accounted at amortised costs, a downward change in quoted prices of these debt instruments may result in a write down on carrying amount of the investment in debt securities.

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			Fair value	
	FVOCI – equity investments \$	Amortised cost \$	Other financial liabilities \$	Total \$	Level 1 \$
2022					
Assets					
Equity investments – at FVOCI	7,284,000	–	–	7,284,000	7,284,000
Debt investment – at amortised cost	–	1,725,588	–	1,725,588	1,486,673
Other receivables (excluding prepayments)	–	1,832,679	–	1,832,679	
Cash at bank and other deposits	–	13,526,473	–	13,526,473	
	<u>7,284,000</u>	<u>17,084,740</u>	<u>–</u>	<u>24,368,740</u>	
Liabilities					
Other payables (excluding deferred income and provisions)	–	–	(1,187,131)	(1,187,131)	
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)	

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.

26 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to FRSs are not expected to have a significant impact on the Company's statement of financial position.

- Amendment to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- FRS 117 *Insurance Contracts* and Amendments to FRS 117 *Insurance Contracts*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-Current*
- Amendments to FRS 8: *Definition of Accounting Estimates*

