



Centurion Corporation Limited

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 198401088W)

SGX Stock Code: OU8

SEHK Stock Code: 6090



Purpose-Built For The Future

CENTURION CORPORATION LIMITED
ANNUAL REPORT 2017

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CORPORATE PROFILE

Centurion Corporation Limited (“Centurion” or the “Company” and together with its subsidiaries, the “Group”) owns, develops and manages quality purpose-built workers accommodation assets in Singapore and Malaysia, and student accommodation assets in Singapore, Australia, the United Kingdom (“UK”) and the United States (“US”).

Established in 1981 as an audio cassette tape and optical disc manufacturer, the Company was listed on the Singapore Exchange (SGX: OU8) in January 1995. In 2011, the Group successfully diversified into the accommodation business via a reverse takeover to capitalise growth opportunities in this niche market. In December 2017, Centurion completed a dual primary listing on the Main Board of the Hong Kong Stock Exchange Limited (SEHK: 6090).

As at 31 December 2017, the Group owns and manages a strong portfolio of 26 operational accommodation assets totalling c.55,148 beds. With projects currently under planning, development and undergoing asset enhancement works, the Group’s portfolio of accommodation assets is expected to grow to c.68,288 beds by end of FY2020.

Centurion owns a portfolio of c.26,100 beds across four workers accommodation assets in Singapore and c.23,700 beds across six workers accommodation assets in Malaysia as at 31 December 2017. Its portfolio of workers accommodation assets are managed under the “Westlite” brand.

In 2014, the Group successfully expanded into the student accommodation business. Centurion currently owns a portfolio of eight assets in the UK with a total capacity of 2,420 beds, a 332-bed asset in Singapore and a 456-bed asset in Australia. In November 2017, Centurion entered the US student accommodation market through its inaugural private fund, the Centurion US Student Housing Fund, by acquiring six purpose-built student accommodation assets with 2,140 beds across five US states. Marking its first venture into the US, the acquisition also opened a new chapter for the Group in providing investment management services. With the exception of RMIT Village, the Group’s student accommodation assets are managed under the “dwell” brand.

With global reach and a clear growth strategy to actively enhance and manage its assets, identify strategic acquisitions and joint ventures, as well as develop customised accommodation management services, Centurion is well positioned to become a leading provider of quality purpose-built accommodation.

Our Core Values

OUR CORE VALUES

reflect our passion to meet our customers' objectives and provide services that promote the well-being of our stakeholders.

RESPECT

We treat every individual with consideration, dignity and respect at all times. We are sensitive and attentive to different needs arising from the diverse backgrounds, nationalities, religions, traditions and culture. We have in place consultation and grievance mechanisms for the well-being of our residents, customers and staff.

INTEGRITY

We believe in upholding the highest standards of integrity and to confidently act with honesty at all times. We have the courage to do what is right, and earn the trust of all our customers and stakeholders, dedicating our best knowledge and skills to obtain the best outcome.

CREATIVITY

We explore innovative methods, processes and best practices to achieve higher efficiency and productivity to stay ahead. As a team, we encourage personal initiative, resourcefulness and a positive mindset to make a difference. This ensures that we embrace change while constantly improving ourselves to keep ahead of competition, and enables us to continue pushing boundaries and expectations.

EXCELLENCE

We strive for excellence and persevere in everything we do to obtain the best outcome. Our focus and commitment to quality is embedded in every aspect of our business – not just physical infrastructure and products, but also our relationships, processes and services that go into creating a healthy and positive environment.



Significant Events in 2017

JANUARY - MARCH

LAUNCH OF DWELL STUDENT LIVING BRAND

The unveiling of dwell, a vibrant and energetic student accommodation brand to spearhead growth in the sector, marked a milestone in the global expansion of Centurion's management capabilities.

APRIL - JUNE

SCALING UP OF PRESENCE IN AUSTRALIA

The Group expanded its student accommodation business in Australia with the acquisition of a 280-bed student accommodation development site in Adelaide and the commencement of an asset enhancement programme at RMIT Village, Melbourne, adding 160 beds with the development of a new wing.

JULY - SEPTEMBER

WINNER OF TWO AWARDS AT THE SINGAPORE CORPORATE AWARDS AND AN AWARD AT THE SIAS 18TH INVESTORS' CHOICE AWARDS

Ms Foo Ai Huey, our Group Chief Financial Officer, was awarded Best Chief Financial Officer and Centurion's Investor Relations Team was awarded the Best Investor Relations Silver Award at the 2017 Singapore Corporate Awards. Separately, Centurion was named winner of the inaugural Shareholder Communications Excellence Award at the SIAS 18th Investors' Choice Awards 2017.

OCTOBER - DECEMBER

RECOGNITION AT INVESTOR RELATIONS PROFESSIONALS ASSOCIATION (SINGAPORE) - EQS ("IRPAS-EQS") IR WEBSITE SURVEY AWARDS

Centurion won the inaugural IRPAS-EQS IR Website Survey Awards 2017 - Best Website, Small Cap, 2nd Runner-Up Award.

ENTERING THE US MARKET AND EXPANSION OF SERVICES

Marking a new chapter in the Group's growth and asset light strategy, Centurion successfully closed its inaugural private fund, the Centurion US Student Housing Fund (the "Fund") and completed the acquisition of six student accommodation assets across five US states through its first investment management service platform, giving Centurion presence across the world's three leading tertiary education markets. Centurion holds approximately 28.74% of the total number of units in issue in the Fund.

DUAL PRIMARY LISTING ON THE HONG KONG STOCK EXCHANGE LIMITED ("SEHK")

Successfully listed on the Main Board of SEHK with a Public Offer portion which was approximately 18.76 times subscribed while the Placing portion was oversubscribed, enabling faster growth through targeted and strategic expansion in existing and new markets, joint ventures and asset light strategies.



Chairman and CEO Letter to Shareholders



Mr Kong Chee Min
Chief Executive Officer

Mr Wong Kok Hoe
Chairman



WE WILL CONTINUE TO SELECTIVELY EXPLORE OPPORTUNITIES TO GROW OUR WORKERS AND STUDENT ACCOMMODATION BUSINESS THROUGH TARGETED AND STRATEGIC EXPANSION IN EXISTING AND NEW MARKETS, JOINT VENTURES AND ASSET LIGHT STRATEGIES.

**Dear Shareholders**

Centurion is pleased to have delivered a healthy set of financial results, and continued to enhance shareholder value for the financial year ended 31 December 2017 ("FY2017"), a year which marked a turning point in our growth strategy.

Since establishing ourselves as a leading provider of workers accommodation in Singapore and Malaysia, we have successfully expanded the Group's business across the globe by diversifying into the student accommodation business in Singapore, Australia, the United Kingdom ("UK") and, as of November 2017, in the United States ("US").

At the heart of business lies a commitment to our core business strategy, growing our accommodation business globally through selective acquisitions, asset enhancement programmes, and providing quality service to our customers and residents. Our ability to execute strategies has helped Centurion navigate through challenging environments, and we have emerged stronger and more resilient, producing sustainable returns for our shareholders. With an established track record, we embark on a new growth chapter as we pursue an asset light strategy to complement our existing portfolio of accommodation assets.

Our 26 operational assets across five countries have continued to perform well this year. Our net profit from core business operations attributable to equity holders of the Company grew 15% year-on-year to S\$44.3 million, on the back of a 14% year-on-year growth in revenue to S\$137.1 million, largely driven by the continual expansion and asset enhancements of the Group's workers and student accommodation businesses.

In April and May 2017, we successfully completed in aggregate the issuance of a S\$85 million 5.25% Medium Term Note ("MTN") due 2020 under the S\$500 million Multicurrency MTN Programme of the Company. The net proceeds will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Company or its subsidiaries.

To reward shareholders on a half-yearly basis, the Board of Directors has made an interim dividend payment of 1.0 Singapore cent per ordinary share during the year. In light of the Group's continued healthy performance, the Board of Directors has recommended a final and special dividend of 1.0 and 0.5 Singapore cent per ordinary share respectively, subject to approval by shareholders at the forthcoming Annual General Meeting, bringing total dividend payment for FY2017 to 2.5 Singapore cents per share. Shareholders in Hong Kong will receive the final and special dividend in total of Hong Kong dollar equivalent of HKD8.92* cents per share.

* Exchange used: SGD1 = HKD5.948 as at 27 February 2018

Letter to Shareholders

BUILDING ON OUR SUCCESSES

2017 has been an eventful year for Centurion, increasing our presence in existing markets and capitalising on opportunities to expand our portfolio and services to secure the long-term future of the business.

In Singapore, we continued to achieve strong occupancy rates throughout the year, with Westlite Woodlands and ASPRI-Westlite Papan achieving high average occupancy rates of approximately 99% and 96% respectively.

The Group has benefitted from the 9-month lease extension of Westlite Tuas from April 2017 to January 2018. The extension allowed the asset to generate additional cash flow and earnings for the year up till December 2017. The residents in Westlite Tuas have been successfully relocated in an orderly manner to our other workers accommodation and a pre-arranged worker dormitory nearby. The land was reinstated and returned to the Building and Construction Authority (“BCA”) in February 2018.

In Malaysia, the Group made good progress in increasing the occupancy of its portfolio of six assets, intensifying its marketing efforts and benefitting from favourable policies introduced by the Malaysian government which gradually permitted the addition of foreign workers to certain sectors. As a consequence, occupancy rates across our asset portfolio in Malaysia continued to improve, attaining overall average occupancy of approximately 82%.

Having launched our student accommodation brand, dwell Student Living (“dwell”), in February 2017, we rolled out the vibrant and energetic brand across the Group’s student accommodation assets in the UK and Singapore. The six newly acquired US assets are also now managed under the dwell brand, further expanding our brand presence.

Overall, our student accommodation assets continue to perform well. Our 10 operating assets across Singapore, UK and Australia have continued to achieve high average occupancy rates of approximately 95% in FY2017. In Australia, our 280-bed purpose-built student accommodation (“PBSA”) development project, dwell Adelaide, and asset enhancement programme (“AEP”) for RMIT Village, are both expected to be completed in 4Q 2018.

BUILDING OUR INVESTMENT MANAGEMENT PLATFORM

2017 saw the Group take a significant step in its asset light strategy and into a new market, with the launch of our inaugural private fund, the Centurion US Student Housing Fund (“the Fund”) to acquire six student accommodation assets across five US states. The Fund, in which Centurion holds approximately 28.74% of the total number of units in issue, is our first foray into investment management services, marking a new chapter in our growth strategy. The acquisition marks our first venture into the US market, giving us presence across the world’s top three leading tertiary education markets.

DUAL PRIMARY LISTING ON THE MAINBOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“SEHK”)

We are delighted to have successfully completed our dual primary listing on SEHK (stock code: 6090) on 12 December 2017, which reflects the confidence in our business model, quality of our assets and management, and development prospects. The listing allows us to introduce our brands and operational model to new potential investors and the investing public in Hong Kong and Northern Asia. We will continue to selectively explore opportunities to grow our workers and student accommodation business through targeted and strategic expansion in existing and new markets, joint ventures and asset light strategies.

A FUTURE FOR THE COMMUNITY

Community remains a priority at Centurion. With residents at the centre of our business, we continually strive to create modern, safe places for people to live, enjoy and socialise.

In January 2018, we officially opened ‘ASPRI-Westlite Papan’ in Singapore, an example in creating a space which defines ‘quality housing’ in the workers accommodation asset class. The asset includes all the hallmarks of Centurion’s ethos and values, including well-designed, safe and secure apartments, an integrated training centre, comprehensive amenities and well-organised social and sporting activities, for the residents to “Live, Learn and Play”.

Across our portfolio of workers accommodation assets, we continue to identify opportunities to upgrade facilities to ensure that not only physical assets see improvement, but also that the community sees attention through social and learning opportunities.

The launch of the dwell brand has allowed us to take a more holistic approach to managing our student accommodation assets. Across our student accommodation portfolio we have continued to promote a sense of community, arranging social and recreational activities to enhance the vibrancy of our assets.

We are also delighted to present our inaugural Sustainability Report ("SR") in the Annual Report, which compiles and presents a balanced overview of our economic, environment, and social performance across the Group's properties in four (4) of our key markets namely Singapore, Malaysia, Australia, and United Kingdom for FY 2017. The SR report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards and based on the disclosure requirement as set out by the Singapore Stock Exchange Ltd "Comply or Explain" requirements for sustainability reporting, as well as the Stock Exchange of Hong Kong Limited's Environmental, Social and Governance (ESG) Reporting Guide.

PURPOSE-BUILT FOR THE FUTURE

Looking to the future, Centurion is well-positioned to continue building its workers and student accommodation business, as well as expanding our investment, asset and property management services. We are cautiously optimistic of our ability to continue delivering sustainable returns for our shareholders. Having established ourselves as a significant player in both student and workers accommodation, we move ahead with a track record of success, a well-diversified portfolio and a clear growth strategy.

ACKNOWLEDGEMENTS

As ever, on behalf of the Directors, we would like to thank our faithful shareholders, dedicated management and staff, loyal business partners and all other stakeholders for their steadfast commitment to the Group. We would also like to take this opportunity to welcome our new shareholders in Hong Kong. We look forward to working with you all in building the future of Centurion.

Yours faithfully,

Mr Wong Kok Hoe *(Chairman)*

Mr Kong Chee Min *(Chief Executive Officer)*

FY 2017
GROUP REVENUE
**S\$137.1
MILLION**

FY 2017
NET PROFIT
**S\$44.3
MILLION**
(FROM CORE BUSINESS OPERATIONS
ATTRIBUTABLE TO EQUITY HOLDERS
OF THE COMPANY)

FY 2017
TOTAL DIVIDEND
**2.5
SINGAPORE CENTS
PER SHARE**
(INCLUDING A SPECIAL DIVIDEND OF
0.5 SINGAPORE CENT PER SHARE)



dwell New Brand Launch

ASPRI-Westlite Dormitory – Papan Official Opening



Mr Tharman Shanmugaratnam (Deputy Prime Minister and Coordinating Minister for Economics and Social Policies) officiating the Official Opening of ASPRI-Westlite Dormitory-Papan

PURPOSEFULLY POSITIONED FOR GROWTH

Targeted and selective acquisitions, proactive asset management and marketing, and strategic development have allowed us to achieve robust growth while maintaining consistently high occupancy rates across our portfolio assets.

Building on our proven track record, 2017 marked the next stage of growth for the Group as we further diversified the business and forged ahead with our asset light strategy.

The establishment of Centurion's first private real estate fund and the launch of the **dwell** brand for quality student accommodation mark our foray into investment, property and asset management, in line with our approach to pursue asset light strategies. In addition, our entry into the United States and the expansion of our presence in Australia, both popular destinations for tertiary education, signals the Group's deepening footprint in key markets all over the world.

With a focus on the sustainable development of the business, the Group aspires to make a positive impact on the lives of all stakeholders as we chart the Group's direction.

With our well-defined growth strategy under way, we are well-positioned to maintain sustainable returns and scalable growth for the future.



Dual Primary Listing Ceremony in Hong Kong



Dual Primary Listing Ceremony in Hong Kong

Board of Directors



MR. WONG KOK HOE
Non-Executive Chairman

Mr. Wong Kok Hoe (黃國豪) ("Mr. Wong"), aged 55, joined the Board on 1 August 2011 as a non-executive Director and Chairman of the Board. He is responsible for participating in the formulation of corporate and business strategies. Mr. Wong is a member of the Remuneration Committee. He was last re-elected a Director of the Company on 26 April 2017.

Prior to joining Centurion Global Ltd, a controlling shareholder of the Company, in April 2008, Mr. Wong was admitted as a practising lawyer in Singapore on 14 March 1990. He has more than 18 years of legal experience in the areas of corporate law, corporate finance, and mergers and acquisitions. He started his legal career in Drew & Napier before leaving in June 1996 to be a partner in Yeo Wee Kiong & Partners. In October 1999, he joined Rajah & Tann (which was subsequently converted to Rajah & Tann LLP) as a partner and stayed on till June 2008. From July to December 2008, he acted as a consultant in Rajah & Tann LLP.

From January 2009 onwards, Mr. Wong has been the chief operating officer of Centurion Global Ltd, responsible for overseeing the operations of Centurion Global Ltd.

Mr. Wong obtained a Bachelor of Law (Honours) degree from the National University of Singapore in June 1989.



MR. LOH KIM KANG DAVID,
PBM, BBM
Non-Executive Director

Mr. Loh Kim Kang David (羅敬惠) ("Mr. Loh"), aged 54, joined the Board on 8 May 2015 as a non-executive Director. He is responsible for participating in the formulation of corporate and business strategies. Mr. Loh was last re-elected a Director of the Company on 29 April 2016.

Mr. Loh has over 20 years of experience in the investment and brokerage industry.

Mr. Loh has been a Principal and Director of Centurion Global Ltd, a controlling shareholder of the Company, since April 2008 to present. His last position was in UOB Kay Hian Pte. Ltd. (formerly known as Kay Hian Pte Ltd) where he was Director (Business Development Consultant) from July 2009 to March 2010. He was a Director (Dealing) from July 2007 to June 2009, Executive Director (Dealing) from July 1999 to July 2007 and Associate Director (Dealing) from July 1996 to July 1999.

He was a Managing Director (Management) at UOB Kay Hian (Hong Kong) Ltd (formerly known as Kay Hian Overseas Securities Ltd) from July 1999 to October 2001. Prior to joining UOB Kay Hian Pte Ltd, he was with OUB Securities Pte Ltd as Dealing Director from August 1995 to June 1996.

Mr. Loh started his career as Dealer (Dealing Director) at Ong & Company Pte. Ltd. from November 1989 to August 1995.

Mr. Loh was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2016 National Day Awards. He was previously presented with the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2011 National Day Awards.

Mr. Loh obtained a degree of Bachelor of Science from the University of Oregon in June 1988. Mr. Loh is the maternal cousin of Mr. Han Seng Juan, Non-Executive Director and controlling shareholder of the Company and brother-in-law of Mr. Bin Hee Din Tony, Executive Director, Accommodation Business.



MR. GN HIANG MENG
Lead Independent Director

Mr. Gn Hiang Meng (鄧憲民) ("Mr. Gn"), aged 69, was appointed as an independent non-executive Director on 17 May 2007 and as Lead Independent Director on 1 March 2014. Mr. Gn is the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. He was last re-elected a Director of the Company on 29 April 2016, and will be seeking re-election at the forthcoming Annual General Meeting of the Company to be held on 27 April 2018.

Prior to joining our Group, Mr. Gn was the deputy president in charge of hotels and finance of UOL Group Limited, a company principally engaged in property development and investment, and hospitality ownership and management, from August 2001 to July 2007, where he was responsible for hotel acquisition as well as managing a chain of hotels located in Singapore and the Asia/Australia region. He was also in charge of financial and human resource matters, including reviewing and analysing financial statements and projections of companies to assess investment and business opportunities. From November 1973 to March 2001, he joined United Overseas Bank Limited, a commercial bank providing a wide range of financial services, where he was a member of the general management and as the head of the investment banking sector, he was in charge of various businesses including investment management, private equity investing, corporate planning, mergers and acquisitions, corporate finance and stock-broking. Prior to his resignation, he was the senior executive vice-president, investment banking.

Mr. Gn obtained a Bachelor of Business Administration (Honours) degree from the University of Singapore (currently known as the National University of Singapore) in June 1971.

Mr. Gn has been appointed as an independent non-executive director of each of Haw Par Corporation Limited (stock code: H02.SI), a company principally engaged in manufacturing, marketing and trading healthcare products, Koh Brothers Group Limited (stock code: K75.SI), a company principally engaged in construction and building materials, real estate, and leisure and hospitality businesses, SingHaiyi Group Limited (stock code: 5H0.SI), a company principally engaged in investing, developing and managing real estate properties, and TEE International Limited (stock code: M1Z.SI), a company principally engaged in property investment and development since 13 August 2014, 16 August 2007, 1 December 2013 and 1 June 2013 respectively. The shares of these companies are listed on the main board of SGX-ST.



MR. HAN SENG JUAN,
PBM, BBM

Non-Executive Director

Mr. Han Seng Juan (韓成元) ("Mr. Han"), aged 55, joined the Board on 8 May 2015 as a non-executive Director. He is responsible for participating in the formulation of corporate and business strategies. Mr. Han was last re-elected a Director of the Company on 29 April 2016, and will be seeking re-election at the forthcoming Annual General Meeting of the Company to be held on 27 April 2018.

Mr. Han has over 20 years of experience in the investment and brokerage industry.

He has been a Principal and Director of Centurion Global Ltd, a controlling shareholder of the Company, since April 2008 to present. His last position was in UOB Kay Hian Pte. Ltd. (formerly known as Kay Hian Pte Ltd) where he was Director (Business Development Consultant) from July 2009 to March 2010. He was a Director (Dealing) from July 2007 to June 2009, Executive Director (Dealing) from July 1999 to July 2007, and Associate Director (Dealing) from July 1996 to July 1999.

Prior to joining UOB Kay Hian Pte Ltd, he was with OUB Securities Pte Ltd as Dealing Director from August 1995 to June 1996 and Ong & Company Pte. Ltd. as Dealing Director from November 1989 to August 1995.

Mr. Han started his career as a Dealer at UOB Securities Pte Ltd from July 1987 to October 1989.

Mr. Han was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2015 National Day Awards. He was previously presented with the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2010 National Day Awards.

Mr. Han obtained a degree of Bachelor of Science from the University of Oregon in March 1987. He is the maternal cousin of Mr. Loh, non-executive Director and controlling shareholder of the Company.



MR. OWI KEK HEAN

Independent Non-Executive Director

Mr. Owi Kek Hean (黃格賢) ("Mr. Owi"), aged 60, was appointed as an independent non-executive Director on 1 January 2017. Mr. Owi is the Chairman of the Nominating Committee and a member of the Audit Committee. He was last re-elected a Director of the Company on 26 April 2017.

Mr. Owi worked with KPMG LLP in Singapore from 1982 until his retirement in October 2015 and had held various senior positions including Head of Tax, Head of Enterprise, Finance Partner and Deputy Managing Partner.

Mr. Owi obtained a degree of Bachelor of Business Administration from the National University of Singapore in May 1981. He is an Accredited Tax Advisor (Income Tax and Goods and Services Tax) with the Singapore Institute of Accredited Tax Professionals.



MR. CHANDRA MOHAN S/O RETHNAM,
PBM, BBM

Independent Non-Executive Director

Mr. Chandra Mohan s/o Rethnam ("Mr. Mohan"), aged 55, was appointed as an independent non-executive Director on 17 May 2007. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He was last re-elected a Director of the Company on 26 April 2017.

Mr. Mohan is presently an Advocate and Solicitor and has been a Partner at Rajah & Tann Singapore LLP, a law firm in Singapore, since January 2008.

Mr. Mohan was a lecturer with the Faculty of Law at the National University of Singapore from July 1989 to March 1995. He has been appointed to sit on the SINDA Executive Committee for the term 2015 - 2017 and is reappointed for the term 2017 - 2019. He was the Chairman of its Donor Relation Sub-Committee with effect from 27 October 2015 and is appointed as a member of the SINDA SkillsFuture Sub-Committee for the current term.

He is also a council member of the North West Community Development Council (NWCDC) since 2002, holding the appointments of Chairman for the NWCDC SkillsFuture Standing Committee from 2017, NWCDC Finance Committee (2009 - 2017), Organising Committee for NWCDC Food Aid Fund for needy residents (2010 - 2018) and NWCDC Corporate Communications Committee (2006-2009).

Mr. Mohan was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2015 National Day Awards. He was previously presented with the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2011 National Day Awards.

Mr. Mohan obtained a Bachelor of Law (Honours) degree from the National University of Singapore in June 1986 and a Master of Law degree from the University of Cambridge in July 1989. He is also a Fellow of the Singapore Institute of Arbitrators and a member of the Chartered Institute of Arbitrators in the United Kingdom.

Senior Management



MR. KONG CHEE MIN

Chief Executive Officer

Mr. Kong Chee Min (江志明) ("Mr. Kong"), aged 52, was appointed as the chief executive officer of our Group in August 2011 and is responsible for overall management of our Group's operations and the implementation of business strategies and the long term growth objectives approved by our Board. Mr. Kong joined our Group in March 1996 and was appointed a member of the Board on 28 March 2000 until he stepped down on 8 May 2015.

Prior to Mr. Kong's appointment as our Group's chief executive officer, he was the regional chief executive officer and finance director of our Group. He also assisted Mr. Lee Kerk Chong in managing and driving the strategic development and growth of the Group's optical disc business.

Prior to joining our Group, Mr. Kong was the accountant of General Motors Overseas Distribution Corporation, a company principally engaged in the sales and distribution of motor vehicles, motor vehicles parts and accessories since April 1994. He was an audit senior at Cooper & Lybrand, an accountancy firm, from June 1991 to April 1994.

Mr. Kong obtained a degree of Bachelor of Accountancy from the National University of Singapore in July 1991. He is currently a member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore).



MR. LEE KERK CHONG

Executive Director - Optical Disc Business

Mr. Lee Kerk Chong (李世宗) ("Mr. Lee"), aged 67, is the executive director of our Group's optical disc business. He is primarily responsible for the strategic planning and overall management of the optical disc manufacturing operations of our Group. Mr. Lee has extensive experience in media storage industry and has been engaging in such business for over 30 years. Mr. Lee was appointed a member of the Board on 31 March 1984 until his retirement on 28 April 2015.

Mr. Lee is the founder of our Company (formerly known as SM Summit Holdings Limited). He served as the chairman and chief executive officer from 31 March 1984 to 1 August 2011. He was responsible for the overall management of our Group's operations. Over the years, he grew the business from a single factory producing audio cassette tapes into an integrated optical storage media solutions provider in the region. Mr. Lee brings his vast entrepreneurial experience and strong management skills to our Group. He is the brother of Ms. Lee Geok Ing, our Group's human resources and administration manager.



MR. BIN HEE DIN TONY

Executive Director - Accommodation Business

Mr. Bin Hee Din, Tony (袁啟新) ("Mr. Bin"), aged 59, joined our Group as an executive director, accommodation business on 1 August 2011 and is primarily responsible for the strategic planning and overall management of our Group's accommodation business. He was appointed a member of the Board on 1 August 2011 until he stepped down on 8 May 2015.

Mr. Bin has more than 30 years of experience in the real estate industry. Prior to joining our Group, he worked as an Estates officer at the Housing & Development Board from 1984 to 1987. Thereafter, he was the marketing manager at Tong Eng Brothers (Pte) Ltd., a company principally engaged in property development, from July 1987 to September 1989; a vice president at United Overseas Bank, a commercial bank, where he worked from 1989 to 1997. Thereafter, he joined Societe Generale Asia

Senior Management

(Singapore) Ltd., a financial institution, as vice president, capital market from 1997 to 1999; a chief operating officer at Heartland Retail Holdings Pte. Ltd. (formerly known as Guthrie Detico Pte. Ltd.), a company principally engaged in providing real estate services, from 1999 to 2007; a general manager at Guthrie Properties (S) Pte Ltd, a company principally engaged in provision of real estate services, from 2002 to 2007; and a general manager at AsiaMalls Management Pte Ltd, a company principally engaged in provision of real estate services, from 2002 to 2007.

Mr. Bin obtained a degree of Bachelor of Science (Estate Management) from the National University of Singapore in June 1984. He is the brother-in-law of Mr. Loh, non-executive Director and controlling shareholder of the Company.



MS. FOO AI HUEY
Chief Financial Officer

Ms. Foo Ai Huey (符愛慧) ("Ms. Foo"), aged 49, was appointed as the chief financial officer of our Group in August 2011. She joined our Group as a finance manager on 10 April 2000. She oversees the finance team and manages a full spectrum of finance accounting and tax functions for our Group.

Ms. Foo has accumulated more than 25 years of finance and accounting related experience covering internal audit, taxation, internal control, financial accounting, cost and management accounting in the accommodation, manufacturing, service and healthcare industries.

Prior to joining our Group, Ms. Foo was a senior accountant at MOH Holdings Pte. Ltd. (formerly known as Health Corporation of Singapore Pte. Ltd.), a company principally engaged in the provision of healthcare services, from May 1996 to March 2000. She was also a senior executive officer of the internal audit department of Singapore Reinsurance Corporation Limited, a reinsurance company, from May 1992 to May 1996.

Ms. Foo obtained a degree of Bachelor of Commerce from the University of Newcastle, Australia in May 1992. She is a member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore) since 31 August 1996, and a Certified Practising Accountant of the Australian Society of Certified Practising Accountants since 12 September 1994.



MR. TEO PENG KWANG KELVIN
Chief Operating Officer - Accommodation Business

Mr. Teo Peng Kwang (趙炳光) ("Mr. Teo"), aged 58, was appointed as chief operating officer of our Group's accommodation business in August 2011. He oversees the day-to-day operations and expansion of the Group's accommodation business. He also assists in the Group's growth and strategic planning. Mr. Teo joined in 2007 as an executive director of Westlite Dormitory (Toh Guan) Pte. Ltd. (formerly known as Centurion Dormitory (Westlite) Pte. Ltd.), one of our Group's acquired subsidiaries in 2011.

Mr. Teo has over 30 years of development and management experience in the property and workers accommodation business. He has been the vice president of Dormitory Association of Singapore Limited since July 2015 and previously was the president of the same association from October 2012 to June 2015. He has also been an independent trustee of the board of trustees for the Migrant Workers' Assistance Fund since November 2014.

Prior to joining our Group, Mr. Teo was a director of Maxi Global Management Pte Ltd, a company which then provided housing services for foreign workers, from March 2009 to April 2011. He was also a director of Maxfresh Leisure Pte Ltd, a company principally engaged in the rental services of fishing boats, from August 2010 to April 2011. Mr. Teo was also a director of Intertrade (S) Enterprise Pte. Ltd., a company principally engaged in chemical trading, from January 2006 to July 2007.

Prior to 2011, Mr. Teo owned and managed various businesses in Singapore including real estate and construction business.

Mr. Teo was a Director of ISO Industry Pte. Limited from March 2006 to February 2011, and Maxi Consultancy Pte. Limited from December 2008 to January 2010.

Mr. Teo was also a Director at Pointbuilt Pte. Limited from May 2008 to February 2011, Serangoon Garden Staff Apartment Pte. Ltd. from March 2009 to August 2011 and Swissplan Dormitory Management Pte. Ltd. from September 2007 to April 2011.

Mr. Teo completed his primary school education in 1972 at River Valley Primary School.

Senior Management



MR. HO LIP CHIN

Chief Investment Officer – Accommodation Business

Mr. Ho Lip Chin (何立錦) (“Mr. Ho”), aged 49, joined our Group in January 2012 as Director, Investments before his appointment as chief investment officer of accommodation business in 2015. He is responsible for expanding our Group’s accommodation business.

Mr. Ho has over 20 years of experience in the real estate and hospitality industries across the Asia Pacific. From May 2010 until joining our Group in January 2012, he was the director, real estate of Centurion Properties Pte Ltd (a subsidiary of our controlling shareholder, Centurion Global Ltd), where he was involved in its real estate investments and workers accommodation business.

From July 2002 to prior to joining Centurion Properties Pte Ltd in May 2010, Mr. Ho worked in a number of companies including those in hospitality and real estate industry such as HVS International Singapore, a consulting firm, as a senior associate from July 2002 to shortly before he joined Intercontinental Hotels Group (Asia Pacific) Pte. Ltd., a subsidiary of InterContinental Hotels Group which was then principally engaged in franchising hotel brands to or managing hotels on behalf of third party hotel owners, in January 2003 where his last position was director of development, Southern Asia.

He was a senior vice president of investment of Pramerica Real Estate Investors (Asia) Pte. Ltd., a company principally engaged in real estate investment, from March 2008 until joining Centurion Properties Pte Ltd in May 2010. He was a director at GE Real Estate Investments Singapore Pte. Ltd., a company principally engaged in real estate investment, from February 2007 to August 2007; an investment manager at HKR Asia-Pacific Pte Ltd, an investment holding company, from January 1996 to June 2002; and a management trainee at Shangri-La Hotel, a company principally engaged in hotel operation, from September 1994 to March 1995 and August 1989 to January 1990.

Mr. Ho obtained a degree of Bachelor of Science in Business Administration and a degree of Master of Business Administration from the University of San Francisco in August 1993 and August 1994, respectively.



MR. LEONG SIEW FATT

Head, Student Accommodation Business

Mr. Leong Siew Fatt (梁兆發) (“Mr. Leong”), aged 51, joined our Group as an engineer in March 1993 before being promoted to the position of group technical manager in 1997 in our Group’s optical disc business. He is currently the head of student accommodation business and responsible for the overall management of our Group’s student accommodation business across the United Kingdom, Australia and Singapore.

Mr. Leong has extensive technical, operational and management experience spanning over 30 years. Prior to his appointment as head of student accommodation business, Mr. Leong was responsible for the operations of our Group’s workers accommodation business in Malaysia as well as the technical and manufacturing operations of our Group’s optical disc business.

Prior to joining our Group, Mr. Leong was a regular military specialist of the Singapore Armed Forces from March 1985 to March 1991.

Mr. Leong obtained a degree of Bachelor of Engineering Management from the University of Western Sydney in September 2001.



MR. YEO BOON HING DAVID

Director of Corporate Research and Innovation

Mr. Yeo Boon Hing (“Mr. Yeo”), aged 64, is our director of corporate research and innovation. He is responsible for the research and identification of new business model for our Group’s accommodation business. He has over 20 years of sales and marketing experience and management experience.

Senior Management

Mr. Yeo first joined Summit CD Manufacture Pte Ltd, our subsidiary, in July 1997 as sales and marketing director and then became our Group's regional sales and marketing director in January 2008. Prior to his current role as director of corporate research and innovation, Mr. Yeo was the chief executive officer of Summit CD Manufacture Pte. Ltd. His previous work experience include acting as a director of Calrisk Venture, a food and beverage service company, from October 1993 to prior to joining our Group in July 1997 and a distribution manager of Bull HN Information Systems Pte Ltd, a company principally engaged in provision of data entry services, from January 1990 to October 1993.

Mr. Yeo obtained a degree of Bachelor of Science in Finance and Marketing from the University of Oregon in June 1987.



MS. LEE GEOK ING JANICE

Human Resources & Administration Manager

Ms. Lee Geok Ing (李玉英) ("Ms. Lee"), aged 56, joined our Group as the senior accounts executive in March 1984 and became the human resources and administration manager in January 1995. She is responsible for our Group's human resource development and administration matters. Ms. Lee has over 33 years of accounting, human resource and administrative experience. She was appointed a member of the Board on 11 August 1994 until she stepped down on 18 May 2007.

Prior to joining our Group, Ms. Lee was the accounts executive at Yong Sing Trading Co Pte Ltd, a company principally engaged in the retail sale of household electrical appliances and equipment from April 1979 to March 1984; and had worked as an external auditor with a local public accounting firm in Singapore.

Ms. Lee obtained her GCE Ordinary Level in 1977 from Singapore-Cambridge General Certificate of Education Examination. She is the sister of Mr. Lee, executive Director of our Group's optical disc business.



MR. LIM CHOON KWANG

Director of Security

Mr. Lim Choon Kwang (林俊光) ("Mr. Lim"), aged 49, joined our Group in October 2016 as director of security. He is responsible for providing strategic leadership to the Group on security management and business continuity.

Mr. Lim has more than 25 years of experience in security operations and law enforcement prior to joining our Group. He had previously held various positions with numerous organisations: security operations manager of Apple South Asia Pte. Ltd., a company principally engaged in the manufacture and distribution of electronic products from July 2015 to April 2016; head of security management of SP PowerGrid Ltd, a company principally engaged in the transmission and distribution of electricity and gas from June 2011 to April 2015; vice president for the risk management and protective security at 重慶鈞匯商務諮詢有限公司上海分公司 (Hill & Associates (PRC) Ltd), a company principally engaged in the provision of risk management and security consulting services from June 2010 to May 2011; and deputy director at Office of Campus Security of National University of Singapore from May 2009 to July 2010. In addition to his working experience in the private sector as mentioned above, he was also a senior police officer with the Singapore Police Force from April 1996 to May 2009.

Mr. Lim obtained a Bachelor's degree of Science in Banking and Finance from the University of London in August 1995, and a Master's degree in Security Management from Edith Cowan University, Australia, in May 2007.

Company Secretary

MS. WONG TAK YEE

Ms. Wong Tak Yee (黃德儀) ("Ms. Wong") was appointed as Hong Kong company secretary of our Company on 16 June 2017.

Ms. Wong Tak Yee is a director, Corporate Services of Tricor Services Limited ("Tricor"), a global professional services provider specialising in integrated Business, Corporate and Investor Services. Ms. Wong has over 25 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Wong is a Chartered Secretary and a Fellow of both the Hong Kong Institute of Chartered Secretaries ("HKICS") and the Institute of Chartered Secretaries and Administrators ("ICSA") in the United Kingdom. Ms. Wong is a holder of the Practitioner's Endorsement from HKICS. (Note: The Company has engaged Tricor Services Limited as external service provider and appointed Ms. Wong Tak Yee as the Company's Hong Kong company secretary since 16 June 2017).

MS. JULIANA TAN BENG HWEI

Ms. Juliana Tan Beng Hwei ("Ms. Tan") was appointed as company secretary of our Company on 1 January 2017. She also previously served as a company secretary of our Company from 1 January 2006 to 30 January 2015. She has been responsible for our Company's compliance with the relevant statutory and regulatory requirements under the Singapore Companies Act and SGX-ST Listing Rules since her appointment.

Ms. Tan has over two decades of experience in corporate secretarial practice having worked in several established professional business services companies, namely, Lim Associates (Pte) Ltd, a member of Boardroom Limited and KCS Corporate Services Pte Ltd, specialising in providing corporate secretarial and advisory services to public listed and private limited companies in Singapore. During the tenure of her employment with these companies, she was also appointed company secretary to several companies listed on the Singapore Stock Exchange and private limited companies incorporated in Singapore.

She is currently an Associate Director of Alpine Corporate Services Pte Ltd, a professional service provider specialising in corporate secretarial and corporate governance advisory services.

Ms. Tan obtained an external degree of Bachelor of Science (Economics) in the specialism of management studies from the University of London and was admitted as a practising chartered secretary to engage in public practice in Singapore certified by the Chartered Secretaries Institute of Singapore (formerly known as the Singapore Association of the Institute of Chartered Secretaries and Administrators) in September 2005.

MS. HAZEL CHIA LUANG CHEW

Ms. Hazel Chia Luang Chew ("Ms. Chia") was appointed as company secretary of our Company on 30 January 2015. She also previously served as a company secretary of our Company from 12 January 1995 to 17 June 2005 and from 1 January 2006 to 31 July 2014. She has been responsible for our Company's compliance with the relevant statutory and regulatory requirements under the Singapore Companies Act and SGX-ST Listing Rules since her appointment.

Ms. Chia has over 30 years of experience in corporate secretarial practice having worked in several established professional business services companies in Singapore, such as, Lim Associates (Pte) Ltd, a member of Boardroom Limited and KCS Corporate Services Pte Ltd, specialising in providing corporate secretarial and advisory services to public listed and private companies. During the tenure of her employment with these companies, she was appointed company secretary to several companies listed on the Singapore Stock Exchange and private limited companies incorporated in Singapore.

She is currently a Director of Alpine Corporate Services Pte Ltd, a professional service provider specialising in corporate secretarial and corporate governance advisory services.

Ms. Chia was admitted as a fellow member of the Institute of Chartered Secretaries and Administrators, United Kingdom, in April 2001 and has been a practising chartered secretary to engage in public practice in Singapore certified by the Chartered Secretaries Institute of Singapore (formerly known as the Singapore Association of the Institute of Chartered Secretaries and Administrators) since October 1991.

Core Subsidiaries and Associates

(as at 31 December 2017)

SINGAPORE

CENTURION DORMITORIES PTE LTD

WESTLITE DORMITORY MANAGEMENT PTE LTD

45 Ubi Road 1 #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6743 5818
Email : enquiry@centurioncorp.com.sg
Website : www.centurioncorp.com.sg

WESTLITE DORMITORY (TOH GUAN) PTE LTD

28 Toh Guan Road East #02-01
Westlite Dormitory
Singapore 608596
Tel : (65) 6316 3018
Fax : (65) 6316 3020
Email : enquiry@westlite.com.sg
Website : www.westlite.com.sg

WESTLITE DORMITORY (WOODLANDS) PTE LTD

2 Woodlands Sector 2 #01-01
Singapore 737723
Tel : (65) 6250 6616
Fax : (65) 6250 3787
Email : enquiry@westlite.com.sg
Website : www.westlite.com.sg

CSL STUDENT LIVING (SELEGIE) PTE LTD

1A Short Street
Singapore 188210
Tel : (65) 6238 6339
Fax : (65) 6238 1178
Email : enquiries@dwelstudent.com.sg
Website : www.dwellstudent.com.sg

CENTURION-LIAN BENG (PAPAN) PTE LTD

5C Jalan Papan #02-29
Singapore 619420
Tel : (65) 6255 1028
Fax : (65) 6250 2261
Email : enquiry@westlitepapan.com.sg
Website : www.westlitepapan.com.sg

LIAN BENG-CENTURION (DORMITORY) PTE LTD

34 Mandai Estate #01-15
Singapore 729940
Tel : (65) 6368 1878
Fax : (65) 6468 1687
Email : enquiry@westlite.com.sg
Website : www.westlite.com.sg

SM SUMMIT HOLDINGS PTE LTD

SUMMIT CD MANUFACTURE PTE LTD

45 Ubi Road 1 #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6748 9612
Email : enquiry@smsummit.com.sg
Website : www.centurioncorp.com.sg
www.smsummit.com.sg

MALAYSIA

CENTURION DORMITORIES SDN BHD

WESTLITE DORMITORY MANAGEMENT SDN BHD

WLC MANAGEMENT SERVICES SDN BHD

No. 17, Jalan Ekoperniagaan 1/23
Taman Ekoperniagaan, 81100
Johor Bahru, Johor, Malaysia
Tel : (607) 555 9366
Fax : (607) 555 9351
Email : enquiry@westlite.com.my
Website : www.westlite.com.my

AUSTRALIA

CENTURION STUDENT SERVICES PTY LTD

5-17 Flemington Road
North Melbourne VIC 3051
Tel : (613) 8330 2000
Fax : (613) 8330 2001
Email : info@rmitvillage.com.au
Website : www.rmitvillage.com.au

UNITED KINGDOM

CENTURION STUDENT SERVICES (UK) LTD

Lower Chatham Street, Manchester M1 5SX United Kingdom
Tel : +44 (0) 161 200 5560
Fax : +44 (0) 161 236 6045
Email : salesenquiries@dwelstudent.co.uk
Website : www.dwellstudent.co.uk

UNITED STATES

DWELL US STUDENT LIVING LLC

5055 Keller Springs Road #400, Addison, TX 75001, USA
Tel : +1 214 890 8262
Fax : +1 214 987 4032
Email : inquiries@dwelstudent.com

26
ACCOMMODATION
ASSETS
IN OPERATION

4
PROJECTS
UNDER PLANNING/
DEVELOPMENT



Westlite Papan celebrates National Day



Westlite Woodlands Party Invitation by ACMI with CJC Students



Westlite Mandai Street
Soccer Competition



Mid Autumn Celebration
at dwell Selegie

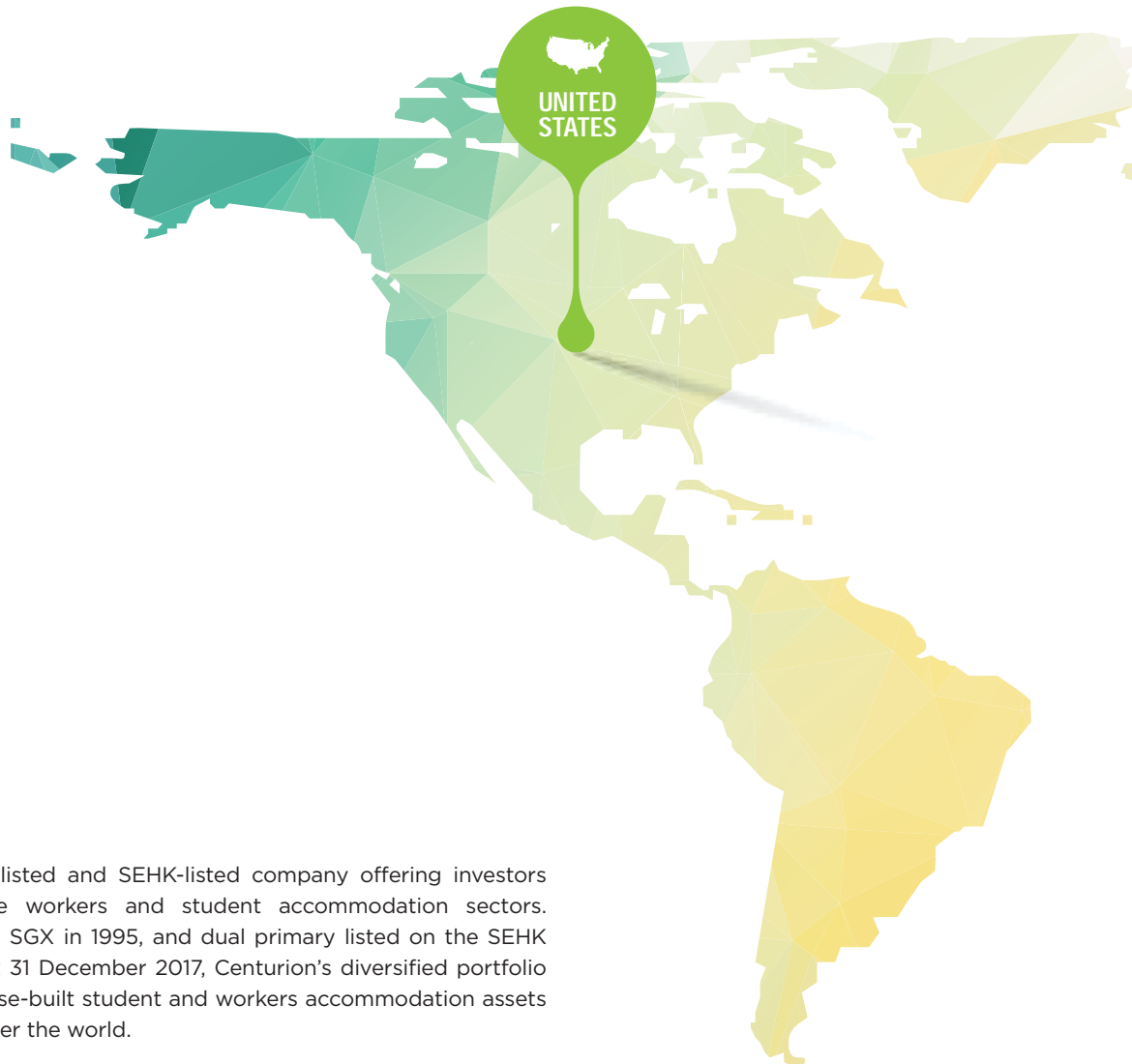
PURPOSE-BUILT ACCOMMODATION ASSETS AT THE CORE OF THE BUSINESS

With a strong operating portfolio of 26 quality, purpose-built accommodation assets consisting of 55,148 beds for students and workers, these compelling and niche segments remain at the core of our business. These assets are freehold and long leasehold properties, professionally managed under the **dwell** and **Westlite** brands for student and workers accommodation respectively.

The portfolio has undergone consistent growth, and our expansion into selected markets and services is underpinned by solid industry fundamentals. From just one asset in 2011, Centurion is now a leading PBWA provider with 10 workers accommodation assets in Singapore and Malaysia with a capacity of about 50,000 beds, and over 12,700 beds in the pipeline. We also have a strong foothold in the student accommodation segment, built up since 2014, with 16 PBSA assets in top tertiary education markets such as the UK, US, Australia and Singapore with a total of 5,348 beds in operation and 440 beds under development and undergoing asset enhancement.

Centurion looks to the future from a position of strength and will continue to embark on its next phase of growth with its asset light strategy. The Group will strive towards seizing further opportunities in investment management services in a disciplined and considered approach.

Global Presence



Centurion is the only SGX-listed and SEHK-listed company offering investors exposure to the attractive workers and student accommodation sectors. Centurion was listed on the SGX in 1995, and dual primary listed on the SEHK on 12 December 2017. As at 31 December 2017, Centurion's diversified portfolio comprises 26 quality, purpose-built student and workers accommodation assets located in key markets all over the world.



PORTFOLIO AT A GLANCE:

In operation:

- 10 workers accommodation and 16 student accommodation assets, with 55,148 beds in total

In the pipeline:

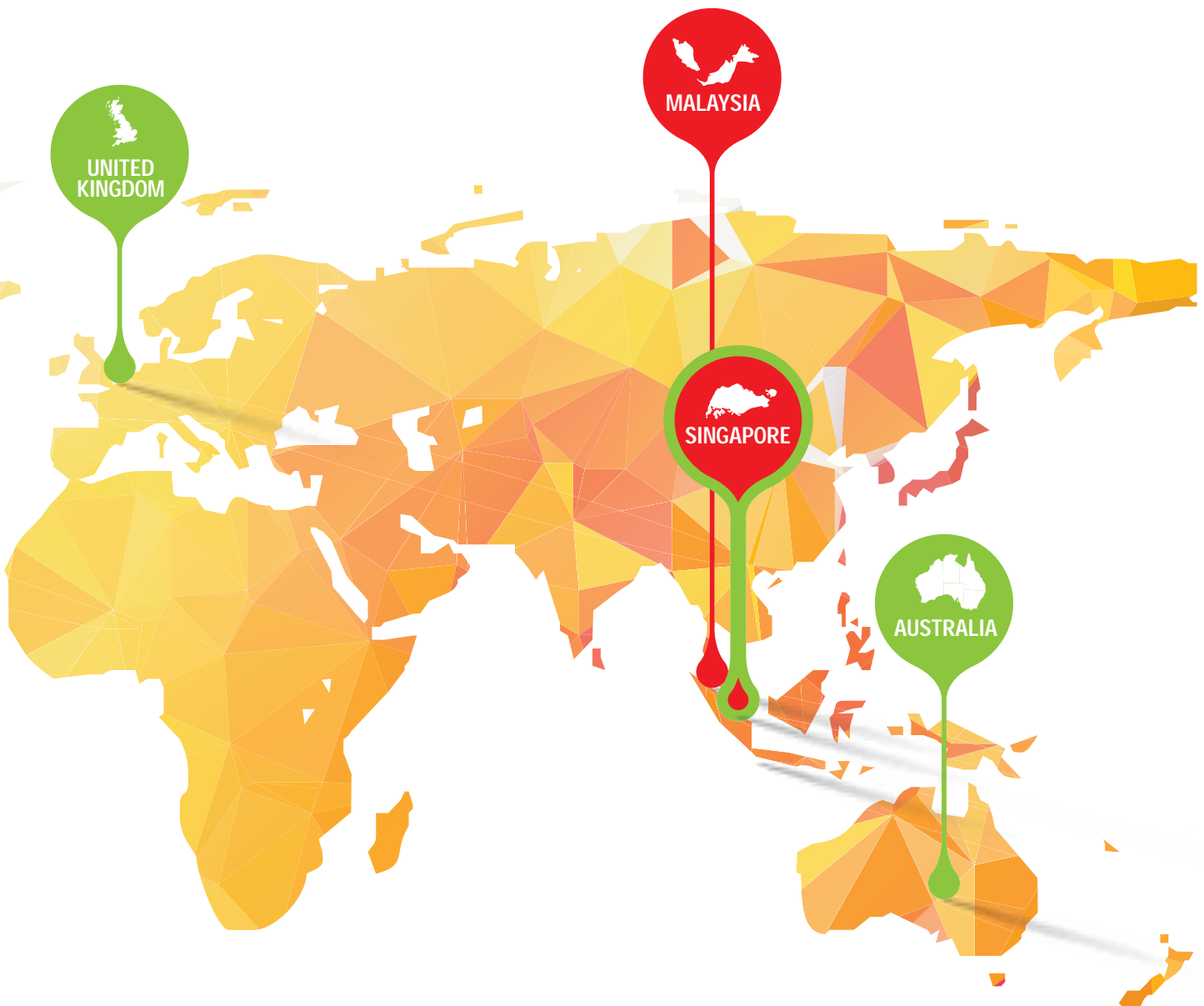
- 2 workers accommodation projects (12,700 beds) in Malaysia under development / planning
- 280 beds under development in Adelaide
- Additional 160 beds after new wing is added under the asset enhancement programme for RMIT Village in Melbourne

WORKERS ACCOMMODATION:

- Owner-operator of 10 quality, purpose-built workers accommodation assets in Singapore and Malaysia with consistently high average occupancy rates of approximately 95% for FY 2017.
- The Westlite brand is synonymous with reliable and quality provision of workers accommodation serving multinational companies and corporates across various industries.

STUDENT ACCOMMODATION:

- Owner-operator of 16 quality, purpose-built student accommodation assets near leading universities in Australia, UK, Singapore and the United States, with consistently high average occupancy rates of approximately 95% for FY 2017.
- As the portfolio grows, the dwell brand is developing into a recognised name amongst student communities in urban centres.



● SINGAPORE

WORKERS ACCOMMODATION

- > Westlite Toh Guan
- > Westlite Woodlands
- > ASPRI-Westlite Papan
- > Westlite Mandai
- > Westlite Tuas*

STUDENT ACCOMMODATION

- > dwell Selegie

● MALAYSIA

WORKERS ACCOMMODATION

- > Westlite Tebrau
- > Westlite Johor Tech Park
- > Westlite Pasir Gudang
- > Westlite Senai
- > Westlite Senai II
- > Westlite Tampoi
- > Westlite Bukit Minyak[#]
- > Westlite Juru^{*}

● UNITED KINGDOM

STUDENT ACCOMMODATION

- > dwell MSV
- > dwell MSV South
- > dwell The Grafton
- > dwell Cathedral Campus
- > dwell Hotwells House
- > dwell Beechwood House
- > dwell Weston Court
- > dwell Garth Heads

● UNITED STATES

STUDENT ACCOMMODATION

- > dwell Towers on State
- > dwell Statesider
- > dwell Stadium View
- > dwell Logan Square
- > dwell Tenn Street
- > dwell College & Crown

● AUSTRALIA

STUDENT ACCOMMODATION

- > RMIT Village[^]
- > dwell Adelaide[#]

* Lease expired in January 2018

[#] Upon completion of construction in 2018

^{*} Upon completion of construction in 2020

[^] Upon completion of asset enhancement programme in 4Q 2018

Business Portfolio

SINGAPORE

► Workers Accommodation

Total Operational: c.26,100 Beds# (as at 31 December 2017)



1

WESTLITE TUAS*

- c.8,600 beds
- Land tenure: 3+3+3 years (wef 2008) + 9 months (wef April 2017)
- Land area: 40,349 sqm
- BCA Green Mark Gold Award Winner

* Lease expired in January 2018

Excluding Westlite Tuas, which lease has expired in January 2018



2

ASPRI-WESTLITE PAPAN (51% OWNED)

- 7,900 beds
- Land tenure: 23 years (wef 2015)
- Land area: 14,817 sqm
- First-of-its-kind workers accommodation in Singapore that incorporates a training centre



5

WESTLITE WOODLANDS

- c.4,100 beds
- Land tenure: 30 years (wef 2013)
- Land area: 9,542 sqm
- Strategically located near the Woodlands industrial hub, the accommodation caters to workers from the marine, process and manufacturing industries



3

WESTLITE TOH GUAN

- c.7,800 beds
- Land tenure: 60 years (wef 1997)
- Land area: 11,685 sqm
- Conveniently located in the Jurong locality with easy access to major expressways, the accommodation caters to workers from all industries



4

WESTLITE MANDAI (45% OWNED)

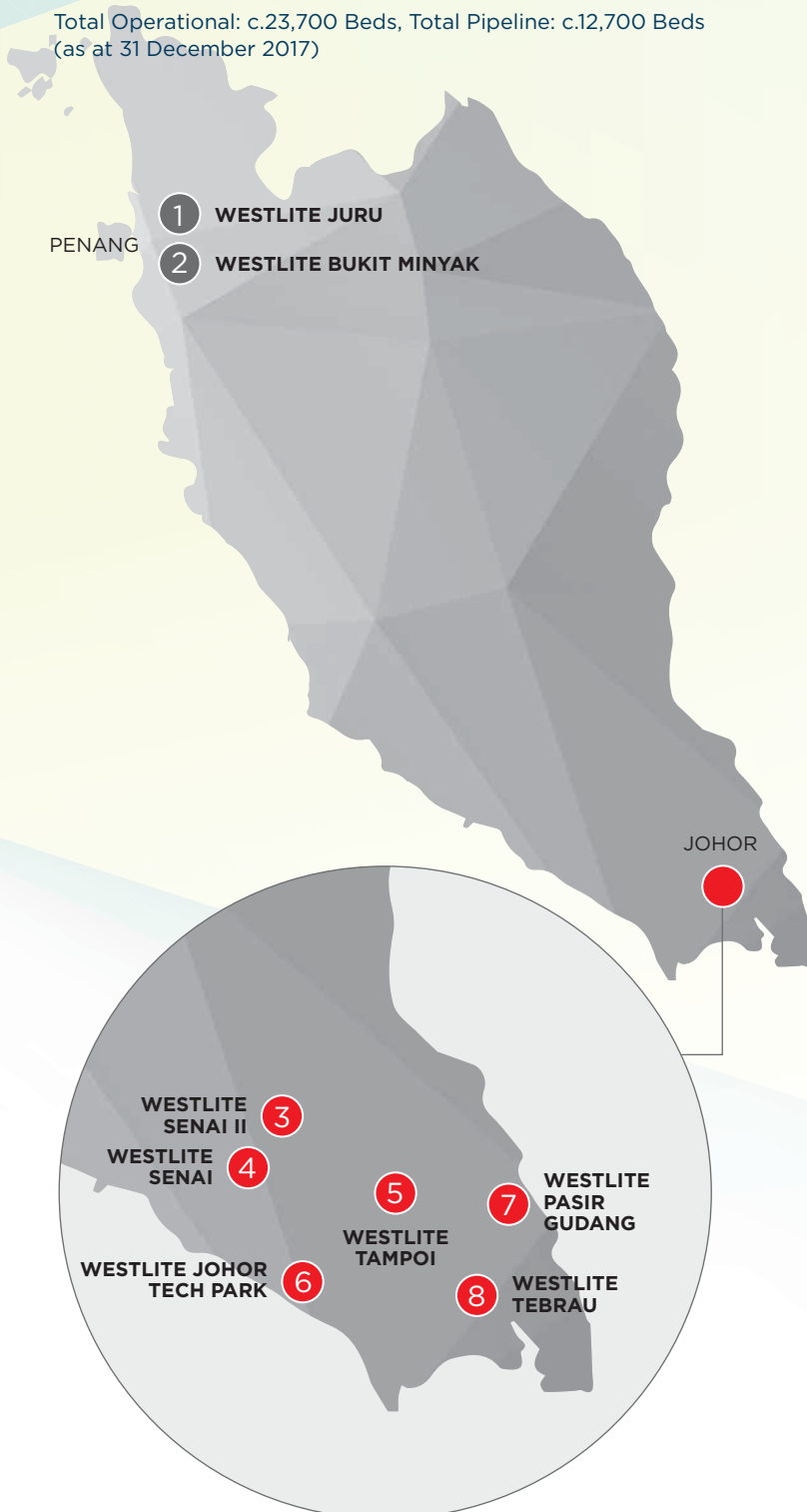
- c.6,300 beds
- Land tenure: Freehold
- Land area: 11,265 sqm
- The largest freehold purpose-built workers accommodation in Singapore and caters to workers from all industries

Business Portfolio

MALAYSIA

► Workers Accommodation

Total Operational: c.23,700 Beds, Total Pipeline: c.12,700 Beds
(as at 31 December 2017)



1

WESTLITE JURU

(Pending acquisition of land)

- c.6,100 beds
- Land tenure: 99 years
- Land area: 26,709 sqm
- Expected to be completed in 2020



2

WESTLITE BUKIT MINYAK

(Under Development)

- c.6,600 beds
- Land tenure: Freehold
- Land area: 17,900 sqm
- Centurion's first Malaysian worker's accommodation outside Johor
- Expected to be completed in 2018



3

WESTLITE SENAI II

- c.5,900 beds
- Land tenure: Freehold
- Land area: 19,071 sqm
- Located near established industrial parks in Senai where several major multinational electronics manufacturers are based



4

WESTLITE SENAI

- c.2,600 beds
- Land tenure: Freehold
- Land area: 20,310 sqm
- Located near established industrial parks in Senai where several major multinational electronics manufacturers are based



5

WESTLITE TAMPOI

- c.5,300 beds
- Land tenure: Freehold
- Land area: 28,328 sqm
- Located in one of the established industrial zones in Iskandar, Malaysia within close proximity to several major multinational electronics manufacturers



6

WESTLITE JOHOR TECH PARK

- c.5,800 beds
- Land tenure: 99 years (wef 2013)
- Land area: 14,314 sqm
- One of the largest purpose-built workers dormitory in Johor



7

WESTLITE PASIR GUDANG

- c.2,000 beds
- Land tenure: 99 years (wef 1986)
- Land area: 8,391 sqm
- Located near the industrial zone within Pasir Gudang



8

WESTLITE TEBRAU

- c.2,100 beds
- Land tenure: 60 years (wef 2000)
- Land area: 5,718 sqm
- One of Johor's first purpose-built workers accommodation

Business Portfolio

UNITED KINGDOM

► Student Accommodation

Total Operational: c.2,420 Beds (as at 31 December 2017)





1

DWELL GARTH HEADS

- 185 beds
- Land tenure: 125 years (wef 1995)
- Land area: 2,000 sqm
- Located within a short walk to both Northumbria University and Newcastle University



2

DWELL CATHEDRAL CAMPUS

- 384 beds
- Land tenure: 250 years (wef 2007)
- Land area: 16,400 sqm
- Close proximity to Liverpool John Moores University, Liverpool Institute of Performing Arts, and Liverpool City Centre



3

DWELL HOTWELLS HOUSE

- 157 beds
- Land tenure: 125 years (wef 2009)
- Land area: 2,400 sqm
- Short walk to the main University of Bristol campus



4

DWELL MSV

- 1,017 beds
- Land tenure: Freehold
- Land area: 4,500 sqm
- Easy access to the University of Manchester and Manchester Metropolitan University campuses, as well as Manchester City Centre



5

DWELL THE GRAFTON

- 145 beds
- Land tenure: Freehold
- Land area: 880 sqm
- Located off the main Oxford Road and short walk to the University of Manchester's main campus



6

DWELL MSV SOUTH

- 355 beds
- Land tenure: Freehold
- Land area: 6,300 sqm
- Short walk from the city campuses to the North and Fallowfield to the South



7

DWELL WESTON COURT

- 140 beds
- Land tenure: 125 years (wef 2008)
- Land area: 3,700 sqm
- Short walk to the University of Manchester – Fallowfield Campus



8

DWELL BEECHWOOD HOUSE

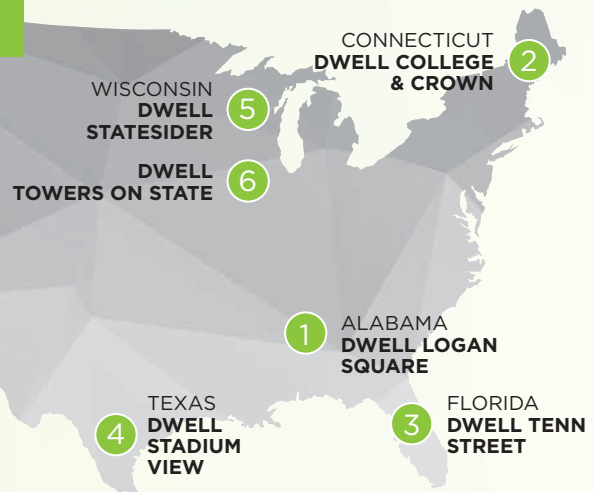
- 37 beds
- Land tenure: 125 years (wef 2009)
- Land area: 1,700 sqm
- Situated within Fallowfield – a popular student area within the city

Business Portfolio

UNITED STATES

► Student Accommodation

Total Operational: c.2,140 Beds* (as at 31 December 2017)



* Centurion Overseas Investments Pte. Ltd. currently holds approximately 28.74% of the total number of units in the Centurion US Student Housing Fund, which acquired all 6 US properties.



1

DWELL LOGAN SQUARE

- 639 beds
- Land tenure: Freehold
- Land area: 45,891 sqm
- Located close to Auburn University



2

DWELL COLLEGE & CROWN

- 204 beds
- Land tenure: Freehold
- Land area: 4,484 sqm
- Preferred apartments located close to University and Yale New Haven Hospital



3

DWELL TENN STREET

- 624 beds
- Land tenure: Freehold
- Land area: 76,769 sqm
- Quality student apartments located close to Florida State University, Florida A&M University, and Tallahassee Community College



4

DWELL STADIUM VIEW

- 216 beds
- Land tenure: Freehold
- Land area: 23,755 sqm
- Apartments are located close to Texas A&M University



5

DWELL STATESIDER

- 226 beds
- Land tenure: Freehold
- Land area: 809 sqm
- Off-campus apartments located close to University of Wisconsin



6

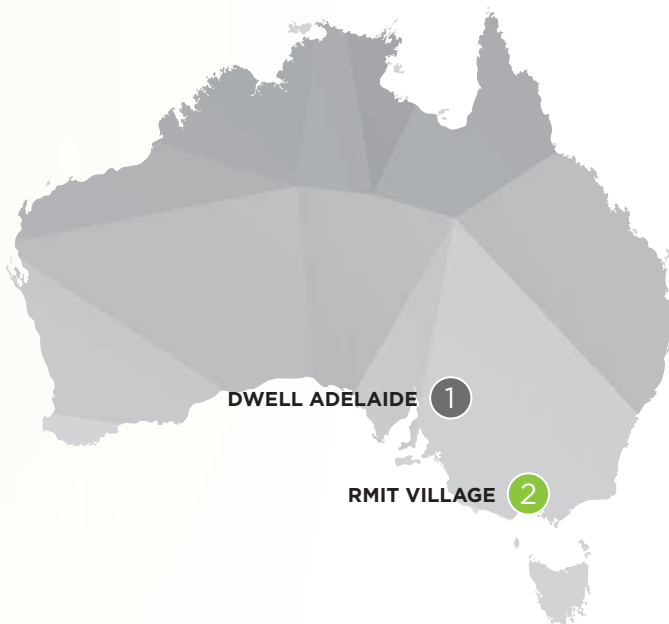
DWELL TOWERS ON STATE

- 231 beds
- Land tenure: Freehold
- Land area: 1,983 sqm
- Quality student apartments located close to University of Wisconsin

AUSTRALIA

► Student Accommodation

Total Operational: c.456 Beds, Total Pipeline: c.440 Beds
(as at 31 December 2017)



1

DWELL ADELAIDE (Under Development)

- 280 beds
- Land tenure: Freehold
- Land area: 598 sqm
- Located close to University of Adelaide and University of South Australia - City East Campus
- Expected to be completed in 2018



2

RMIT VILLAGE

(Asset Enhancement Programme in progress; add up to c.160 beds)

- 456 beds
- Land tenure: Freehold
- Land area: 6,200 sqm
- Centurion's first student accommodation asset
- Located close to Melbourne's Central Business District, RMIT University and University of Melbourne
- AEP expected to be completed in 2018

SINGAPORE

► Student Accommodation

Total Operational: c.332 Beds (as at 31 December 2017)



1

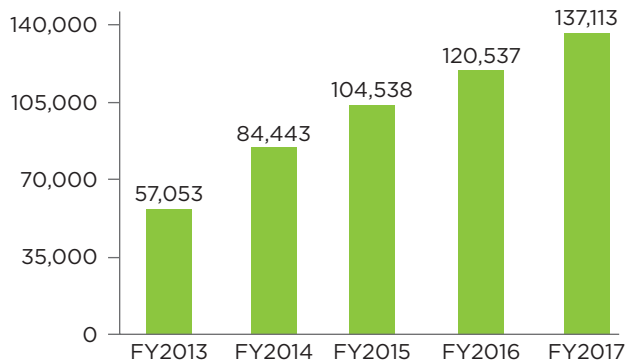
DWELL SELEGIE

- 332 beds
- Land tenure: 3+3+2 years (wef 2015)
- Land area: 4,408 sqm
- Short walk to Singapore Management University (SMU), LASALLE College of the Arts, School of the Arts Singapore (SOTA) and Kaplan city campuses

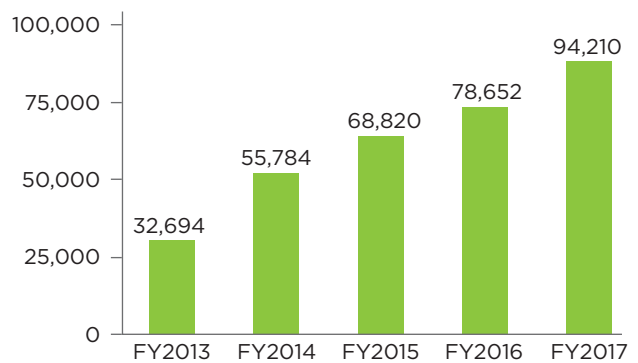
Financial Review

FINANCIAL HIGHLIGHTS AT A GLANCE

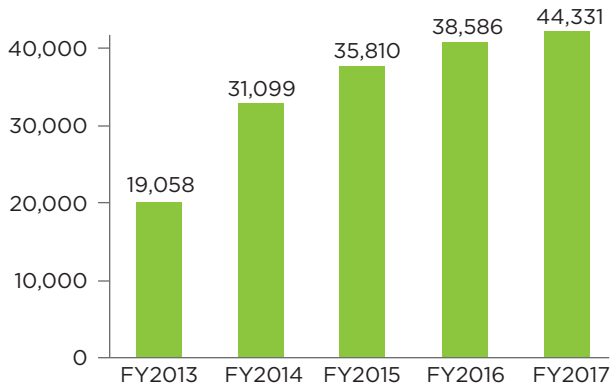
REVENUE (\$S'000)



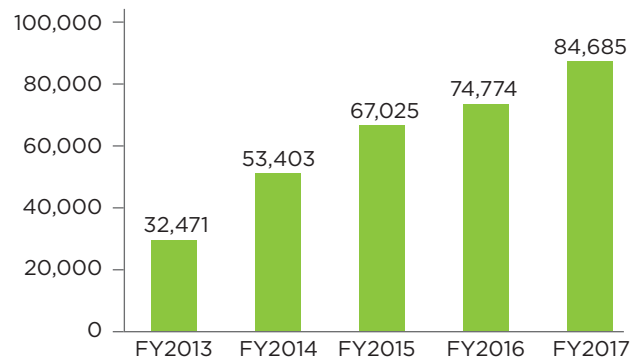
GROSS PROFIT (\$S'000)



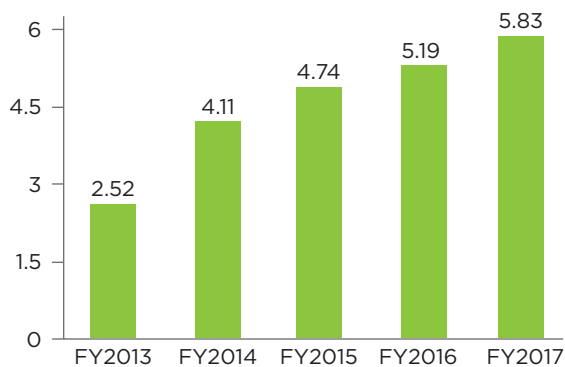
NET PROFIT FROM CORE BUSINESS OPERATIONS (\$S'000)
Attributable to Equity Holders of the Company (recurring, excluding one-off items*)



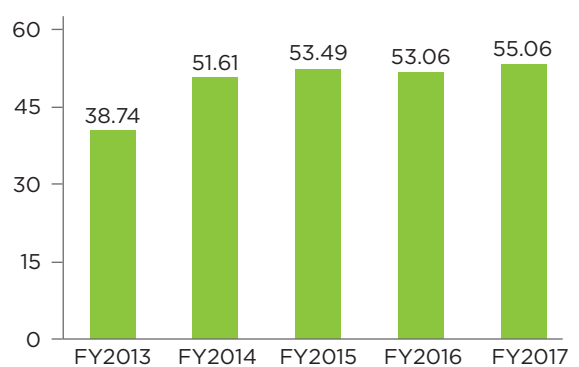
EBITDA (\$S'000)
(recurring, excluding one-off items*)



EARNINGS PER SHARE FROM CORE BUSINESS OPERATIONS (CENTS)
(recurring, excluding one-off items*)



NET ASSET VALUE PER SHARE (CENTS)



* One-off items refer to non-cash accounting adjustments such as fair value gains/losses on investment properties and assets held for sale including those of associated companies, investment write-down in associated company, impairment loss on property, plant and equipment and profit from the sale of industrial factory units, provision of deferred tax arising from fair value gain and dual primary listing expenses.

Financial Review

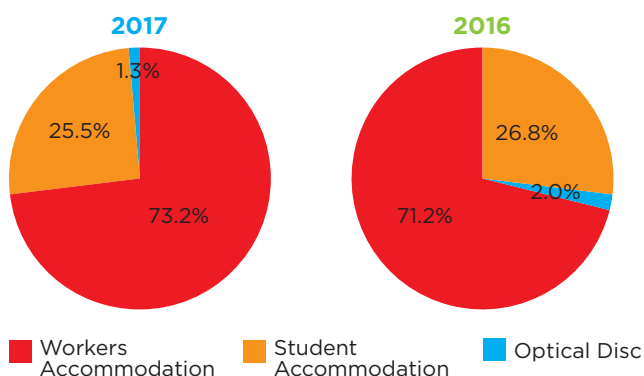
FINANCIAL HIGHLIGHTS

(\$S'000)	FY2016	FY2017	Change %
Revenue	120,537	137,113	14
Gross Profit	78,652	94,210	20
Gross Profit Margin	65%	69%	+4 ppt
Net Profit After Tax (including one-off items*)	34,811	37,644	8
Net Profit After Tax [#] (including one-off items*)	28,707	31,722	11
Profit from Core Business Operations (recurring, excluding one-off items*)	38,362	49,447	29
Profit from Core Business Operations [#] (recurring, excluding one-off items*)	38,586	44,331	15

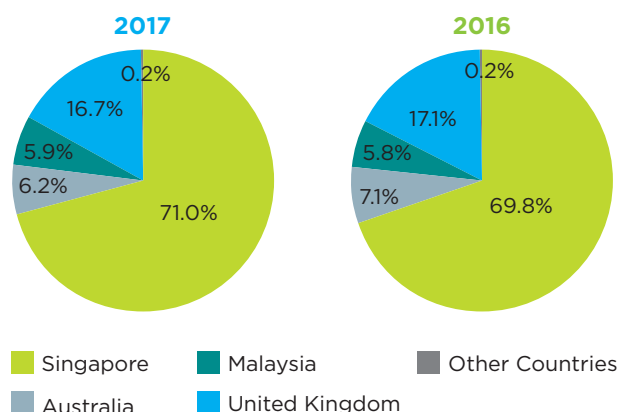
[#] Attributable to Equity Holders of the Company

* One-off items refer to fair value gains/losses on investment properties and assets held for sale including those of associated companies, provision of deferred tax arising from fair value gain and dual primary listing expenses.

SEGMENTAL REVIEW REVENUE CONTRIBUTION BY BUSINESS SEGMENT (%)



REVENUE CONTRIBUTION BY GEOGRAPHY (%)



FINANCIAL REVIEW

Gross Revenue

The Group reported a record revenue of S\$137.1 million in FY2017, a 14% increase from S\$120.5 million in FY2016. The improved performance in FY2017 was largely driven by the Group's active management and marketing efforts across all its properties, especially the newer PBWA assets of ASPRI-Westlite Papan and Westlite Woodlands. The Group also recorded higher occupancy for its workers accommodation assets in Malaysia due to the relaxing of foreign workers hiring freeze, as well as contributions from its UK Braemar student accommodation assets which were acquired in 3Q 2016. The growth was offset by a reduction in sales of Westlite Tuas, in line with the Group's announcement on 1 November 2017 that the tenure of the lease for Westlite Tuas would expire after the end of its 9-month extension, and Westlite Toh Guan as a result of the reduction in the bed capacity respectively.

During the year, the Group's PBWA portfolio had a healthy average occupancy rate of 95%*. In FY2017, the Group reported a 17% year-on-year rise in revenue from the Group's workers accommodation business to S\$100.4 million, which accounted for 73% of the Group's revenue. The increase is mainly due to higher revenue contribution from Westlite Woodlands and ASPRI-Westlite Papan, as margins remained stable for the workers accommodation portfolio.

Correspondingly, the student accommodation business, with average occupancy rates of approximately 95%, accounted for 26% of the Group's revenue. The revenue from the student accommodation business grew 8% from S\$32.3 million in FY2016 to S\$35.0 million in FY2017, boosted by contributions from its UK Braemar student accommodation assets acquired in 3Q 2016 and rental reversions.

* Excluding Westlite Tuas

Financial Review

The Optical Disc Business, operated through one of the Group's subsidiary from a sole production plant in Singapore, contributed about 1% in revenue. In view of the weak market for physical optical disc media and the sizing down of production capacity, revenue from this business segment declined 29% from S\$2.4 million in FY2016 to S\$1.7 million in FY2017.

As the general macroeconomic conditions begin to improve, coupled with the positive demand and supply dynamics in the PBWA sector within Malaysia and Singapore, the Group remains optimistic in strengthening its leading position in both markets. The Group also maintains a positive outlook for its student accommodation business, given the general strong demand and undersupply of PBSA beds in the markets the Group operates in.

Profitability

In line with the growth in revenue from the expansion of its accommodation business, gross profit continued to improve, increasing 20% to S\$94.2 million in FY2017, compared to S\$78.7 million in FY2016. The Group maintained a healthy gross profit margin of 69% during the year in review.

Cost of sales was marginally lower due to the reduced amortisation from Westlite Tuas. Westlite Tuas's lease was expected to expire on 30 April 2017 and hence, the intangible asset was substantially amortised by 30 April 2017. The group benefitted from the 9-month lease extension in generating additional revenue without the need to recognise similar amounts of amortisation expenses. However, as at 1 November 2017, it was announced that there would be no further extension of the lease, which expired in January 2018, and the Group would no longer have the benefit of generating additional revenue from Westlite Tuas.

The net profit after tax derived from the Group's operations for FY 2017 was S\$37.6 million, a year-on-year growth of 8%, or S\$2.8 million.

Excluding one-off items in the form of fair value loss on investment properties, deferred tax arising from the cumulative fair value gains and dual primary listing expenses, the Group's net profit after tax from core business operations recorded a growth of 29% from S\$38.4 million in FY2016 to S\$49.4 million in FY2017.

The Group's net profit from core business operations attributable to equity holders of the Company increased by 15% to S\$44.3 million in FY2017, after accounting for the non-controlling interests proportion of the results of ASPRI-Westlite Papan, in which the Group has a 51% interest.

Earnings per share ("EPS") from core business operations in FY2017 posted a healthy increase from 5.19 cents per share in FY2016 to 5.83 cents in FY2017. Net asset value per share for the Group stands at 55.06 cents for FY2017, as compared to 53.06 cents for the same period a year ago.

Cash Position

The Group's operational accommodation assets continued to generate stable operating cash flows, before working capital changes, of S\$71.1 million in FY2017, a 4% increase from S\$68.5 million in FY2016.

In FY2017, cash of S\$68.5 million in investing activities was mainly used for the development, enhancement and acquisition of the Group's accommodation assets, in particular for investments into USA funds, dwell Adelaide, Westlite Bukit Minyak, RMIT Village and various assets in the UK, as well as the purchase of available-for-sale financial assets.

Net cash of S\$4.4 million provided by financing activities mainly due to proceeds from exercise of warrants S\$33.7 million, proceeds from new shares from the initial public offering on SEHK S\$19.8 million, financing obtained largely from the MTN offset by the repayment of borrowings, interest paid, and S\$15.4 million worth of dividends paid during the year.

As a result of the above activities, the Group recorded a net decrease in cash and cash equivalents of S\$7.2 million and continues to maintain healthy cash and bank balances of approximately S\$75.8 million as at 31 December 2017, compared to S\$82.5 million in FY2016.

Capital and Risk Management

Foreign Currency Risks

The Group is cognisant of its exposure to the Australia, UK, US and Malaysia markets and consequently, the possible foreign currency fluctuations that could affect the stability of those income streams.

Exposures to foreign currency risks are managed as far as possible by natural hedges where the Group matches its

Financial Review

sales and purchases in the same foreign currency. Loans are borrowed in the local currency to the maximum “loan-to-value” where possible, subject to tax planning. Regular monitoring and analysis by the management and the Board are done so that any relevant risks can be addressed, and appropriate measures can be carried out to minimise the exposure.

Liquidity Risks

The Group’s prudent liquidity risk management includes maintaining sufficient cash balances and the availability of funding through an adequate amount of committed credit facilities.

To manage liquidity risk arising from expansion and development plans, the Group ensures that there are sufficient cash and short term deposits and bank facilities to meet any short-term liabilities and unanticipated fund requirements. As at 31 December 2017, the Group had cash and bank balances of approximately S\$75.8 million, as well as S\$163.8 million of undrawn banking facilities.

Apart from the available cash, short term deposits and committed banking facilities, the Group also has an available MTN Programme facility of up to S\$350 million in which the Group can readily tap the debt capital market for funds. Centurion has successfully raised S\$250 million from debt capital markets over four different occasions over the years, including the latest issuance of the MTN Series 3 of S\$85 million in April 2017.

Capital Management

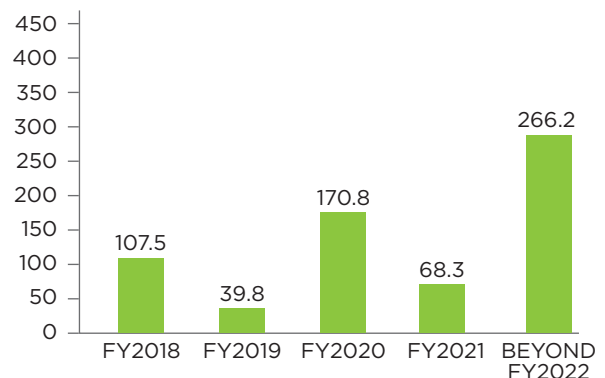
The Group’s objectives when managing capital are to safeguard its ability to operate profitably and to maintain an optimal capital structure so as to maximise shareholder value.

With active debt and capital management policies in place, the Group maintained a well-spread out debt maturity profile to manage refinancing risks. This is done through the management’s prudent financing strategy for the Group’s long-term investment properties by securing a long-term bank debt for each property.

As at 31 December 2017, the Group had an average long-term bank debt maturity profile averaging 10 years while its net gearing ratio stands at 51%, a reduction compared to 55% as at 31 December 2016. The Group’s interest cover continues to be adequate and is within its interest cover threshold, standing at 3.9 times (or 6.0 times interest cover, excluding interest from the MTN).

To ensure sustainable growth in the long run, the Group will carefully balance between acquiring operating assets, which will contribute to the current income and investing in development projects for future growth.

DEBT MATURITY PROFILE AS AT 31 DECEMBER 2017 (S\$M)



Dividends

The Group remains focused on enhancing long-term shareholders’ value by managing and growing its business to deliver sustainable earnings growth.

Although the Group does not have a fixed dividend policy, it has a track record of distributing cash dividends since FY2012. The Group has also been paying an interim dividend on a half-yearly basis since the second quarter of FY2015, in line with the Group’s stable financial performance in the past three financial years.

To reward the Group’s valued shareholders, the Board recommended a final and special dividend of 1.0 and 0.5 Singapore cent per share respectively for FY2017. Together with the interim dividend of 1.0 Singapore cent per share paid on 15 September 2017, this brings the total dividend payout for FY2017 to 2.5 Singapore cents per share.

The Board will target to continue proposing the distribution of dividends to reward shareholders, after taking into consideration the Group’s growth strategy, future operations and earnings, capital requirements and surplus, general financial condition and other factors which the Board deems relevant.

Operations Review

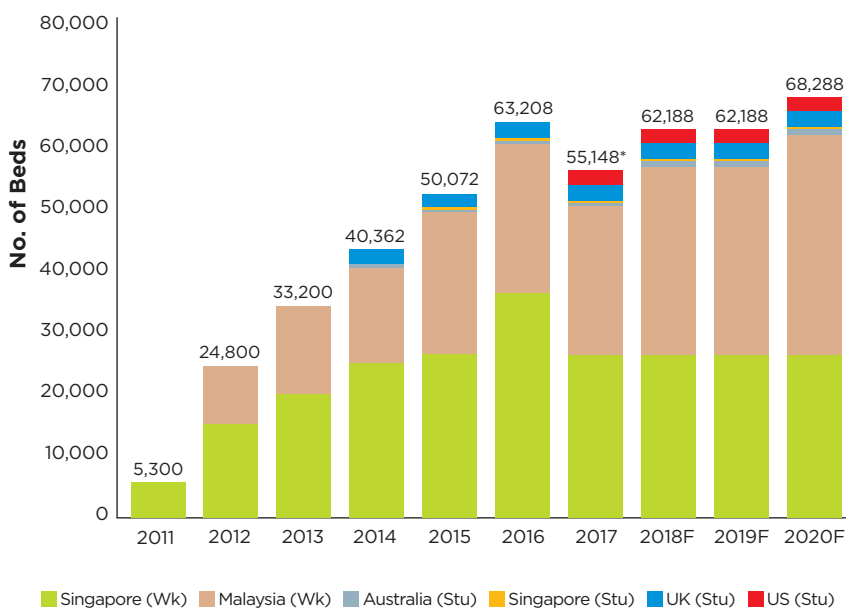
EXPANDING OUR PRESENCE ACROSS THE GLOBE

November 2017 marked the Group's entry into the US, with the acquisition of six purpose-built student accommodation assets through its inaugural private fund, the **Centurion US Student Housing Fund (the "Fund")**. Holding a 28.74% stake in the portfolio of US properties, the Fund will serve as Centurion's first investment management platform and is part of the Group's asset light strategy of expanding its services to include investment and property management, as it embarks on its next phase of growth.

Another big milestone for the Group includes the launch of its **dwell Student Living** brand in February 2017. Except for RMIT Village, all 15 student accommodation assets under the Group are now operating under this vibrant and energetic brand, a culmination of the management's push to strengthen its branding and asset management capabilities.

The Group also deepened its footprint in Australia, with the acquisition of a development site in Adelaide and the commencement of an Asset Enhancement Programme "AEP" in RMIT Village, Melbourne. The development of dwell Adelaide is expected to be completed in 4Q 2018 and yield 280 beds while the completion of the AEP for RMIT Village, also expected in 4Q 2018, will add 160 beds to the Group's portfolio. As at 31 December 2017, the Group's portfolio now consists of 26 operational accommodation assets with a total capacity of c.55,148 beds, with a further c.13,140 beds under planning and development.

Accommodation Growth Profile



dwell College & Crown, Connecticut



RMIT Village, Melbourne



dwell MSV, Manchester

Operations Review

SINGAPORE

In Singapore, the Group operates four workers accommodation assets with a total of c.26,100 beds, which includes Westlite Toh Guan, Westlite Mandai, ASPRI-Westlite Papan and Westlite Woodlands. On a portfolio basis, these assets have long-term leases in good locations and meet all regulatory requirements for operating as workers accommodation.

For FY 2017, the Singapore PBWA portfolio (excluding Westlite Tuas) enjoyed a high average occupancy rate of c.96%. This was mainly due to the ramping up of marketing efforts at Westlite Woodlands and ASPRI-Westlite Papan, which commenced operations in July 2015 and May 2016, respectively.

Strategically located near the Woodlands industrial hub, the Westlite Woodlands accommodation is wholly-owned by the Group and features 3-bedroom units to accommodate workers working in different shifts from the marine, process and manufacturing industries in the northern part of Singapore. Each unit comes with its own toilets, kitchen and laundry area to provide comfort and convenience.

ASPRI-Westlite Papan, 51% owned by the Group, is a partnership between Centurion, the Association of Process Industry ("ASPRI") and Lian Beng Group Limited. It is Singapore's first integrated PBWA with an ASPRI training centre for the process, construction and maintenance industries. With its close proximity to Jurong Island, the training centre offers training modules that cover specific functional skills for carrying out everyday maintenance works on the island. This close proximity also provides workers with more rest time and increased productivity as their accommodation is only a short 12-minute bus journey to the island.

Wholly-owned Westlite Toh Guan, conveniently located in the Jurong locality to cater to workers from all industries, continues to operate at close to full occupancy. High occupancy rates were also achieved at 45%-owned Westlite Mandai. The high occupancies of all its assets demonstrates the resilience of the Group's workers accommodation assets under its active management.

In November 2017, the Group announced that its 8,600-bed Westlite Tuas dormitory will cease operations when its lease expires on 30 January 2018. The land occupied by the property was leased to the Group under a 3+3+3-year lease from the BCA. Originally set to expire on 29 April 2017, the Ministry of National Development (MND) granted the Group a nine-month extension. Centurion's request for a further extension was declined as the land was required for new developments. Prior arrangements were made to move the residents to other workers accommodation owned by the Group as well as to a pre-arranged workers accommodation nearby with available bed capacity.



ASPRI-Westlite Papan



Residents undergoing training at ASPRI-Westlite Papan



Residents playing badminton at Westlite Toh Guan

Operations Review

In spite of a reduction of one asset, the Group is confident of maintaining its leading market position in the PBWA industry. It remains optimistic of the industry's positive supply-demand dynamics, which bodes well for the Group's outlook.

The Group also operates dwell Selegie, a PBSA asset with a healthy c.90% average occupancy rate during FY 2017. Strategically located in the Bras Basah-Bugis precinct, coupled with easy accessibility to the various tertiary education institutions in the vicinity, the accommodation continues to be popular with international students. The Group will continue to leverage its close relationships with educational institutions and is optimistic of maintaining a high occupancy in 2018.

MALAYSIA

As at 31 December 2017, the Group wholly-owns and operates a total of six workers accommodation assets in Malaysia, namely Westlite Johor Technology Park, Westlite Senai, Westlite Senai II, Westlite Tampoi, Westlite Pasir Gudang and Westlite Tebrau. As the first and leading PBWA owner and operator in Malaysia, the Group's first mover advantage and high standards of quality have allowed it to secure the trust and confidence of its clients, who are mostly multinational corporations ("MNCs") in the manufacturing sector. All of the Group's workers accommodation assets in Malaysia have obtained the ISO 9001 certification on their process and systems and adhere to the international standards and requirements of the Responsible Business Alliance ("RBA", formerly known as the Electronic Industry Citizenship Coalition ("EICC")).

The Group's c.23,700-bed operating portfolio is currently located in the Johor region and has an average occupancy of c.82% in FY 2017. The foreign worker hiring freeze was lifted for the manufacturing, construction, plantation and furniture-making industries and this aided the portfolio's improvement in occupancy rates. The increase is also attributable to the intensive marketing efforts by the Group to customers and potential customers in various industrial parks in Johor.

Leveraging on favourable market demand trends, the Group is expanding and diversifying its geographical reach into Penang, another important manufacturing hub for MNCs in Malaysia. As at 31 December 2017, the Group has two development sites in Penang, Malaysia — Westlite Bukit Minyak is undergoing construction and Westlite Juru is pending completion of land acquisition. Upon completion of the development of Westlite Bukit Minyak by 4Q 2018, the property will add c.6,600 beds to the Group's PBWA portfolio.

AUSTRALIA

In line with the Group's efforts to grow its student accommodation business, the Group completed the acquisition of a development site in Adelaide in June 2017. The freehold site will be developed into a 280-bed PBSA – dwell Adelaide – and is expected to be completed in 4Q 2018, ahead of the student intake of the 2019 academic year.



RMIT Village Arabian Nights Ball



Groundbreaking event at dwell Adelaide



dwell Tenn Street in Tallahassee, Florida

Operations Review

In May 2017, the Group also embarked on an asset enhancement plan (“AEP”) for RMIT Village, for the development of a new wing which is expected to add c.160 beds to its current capacity. Located in Melbourne, the 456-bed freehold accommodation continues to operate at a healthy average occupancy of c.93%, mainly attributable to the closure of 39 beds for RMIT Village’s AEP. The sustained good performance was largely attributed to its attractive location close to the Central Business District, and two major universities – RMIT University and the University of Melbourne. Upon the completion, dwell Adelaide and the AEP at RMIT Village will bring the total number of PBSA beds in Australia to 896 beds.

Well located in Australia’s key tertiary education, these assets are expected to perform well and be accretive to the Group’s earnings.

UNITED STATES

In November 2017, the Group announced the successful closure of its inaugural student housing private fund, the **Centurion US Student Housing Fund**, which acquired six freehold PBSA assets in the US. The six assets acquired – Statesider, Tenn Street, Towers on State, College and Crown, Logan Square and Stadium view – are located in five states including Connecticut, Florida, Alabama, Texas and Wisconsin, and primarily cater to first tier universities.

The Fund is managed by “Centurion Student Investment Management Pte. Ltd., a wholly-owned subsidiary of the Group” and marks Centurion’s maiden foray into the US and a new chapter in the Group’s asset light growth strategy, expanding its services to include investment management. By investing in the US PBSA assets, the Fund aims to generate recurring income and capitalise on asset enhancement opportunities to deliver a positive total return.

The Portfolio Assets will be managed under Centurion’s student accommodation brand, **dwell**, and operations will be managed through a joint venture with a local partner which is an established student accommodation manager in the US.

UNITED KINGDOM

As at 31 December 2017, the Group operates a portfolio of eight quality PBSA assets in the UK. The Group’s eight assets have a total bed capacity of c.2,420 beds, and are operating at average c.98% occupancy for the 2017/2018 academic year.

The Group’s student accommodation assets are located in the established education precincts of Manchester, Liverpool, Newcastle and Bristol which provide easy access to the cities’ main university campuses and the city centres. Renowned universities are located within a walking distance or close proximity to these student accommodation assets, which comprise studio, three to seven-bedroom apartments/townhouses.

As part of the Group’s continuous efforts to strengthen its operational capabilities for the student accommodation business, all of the Group’s PBSA assets are now operating under the new energetic and dynamic brand name “**dwell**”.

As a testament to the Group’s successful diversification into student accommodation, all eight of the Group’s student accommodation assets in the UK were certified under the Accreditation Network UK National (“ANUK”) Code of Standards. The accreditation entails that the assets adhere to a distinct set of standards, ensuring transparency and professionalism in management, thus giving the student residents confidence and assurance of being housed in a quality accommodation.

Centurion aims to provide a safe and conducive living environment to students residing at its student accommodation assets. To enhance their stay, Centurion also offers a range of facilities and amenities. Selected accommodations have value-added features such as study areas, common rooms with pool tables, barbeque facilities, bicycle storage, pantries, on-site laundrettes, convenience stores, swimming pools, gymnasiums and cafes. Apart from ensuring quality services such as high-speed Wi-Fi, all student accommodations provide residential programmes and activities, such as movie nights and themed parties, to promote a vibrant and supportive community.

Market Outlook

ACCOMMODATION BUSINESS

Centurion remains one of the largest PBWA owner-operators in Singapore and Malaysia. Leveraging its strong brand positioning and management capabilities, the Group is confident in strengthening its market position, and continuing its expansion in developing, owning and managing workers accommodation assets.

The market demand for purpose-built workers accommodation (“PBWA”) and purpose-built student accommodation (“PBSA”) is expected to remain stable and resilient in the near term. The Group’s growth is supported by new pipelines through asset-light strategies and our investment management platform.

The Group has a pipeline of 12,700 more PBWA beds with c.6,600 beds at Westlite Bukit Minyak expected to be completed in 4Q 2018 and c.6,100 beds at Westlite Juru pending the acquisition of land and expected to be completed in 2020. It is well-positioned to reach its objective of 68,288 beds for its overall portfolio of workers and student accommodation assets by end of 2020.

Accommodation Pipeline (as at 31 December 2017)

Country	Approximate Capacity by Beds	
	Current	Expected (2020)
Workers Accommodation	49,800	62,500
Singapore	26,100 [#]	26,100 [#]
Malaysia	23,700	36,400*
Student Accommodation	5,348	5,788
Australia	456	896
United Kingdom	2,420	2,420
Singapore	332	332
United States	2,140	2,140

[#] Excluding Westlite Tuas, whose land lease has expired in January 2018

* Including projects under development or planning if completed as scheduled

Workers Accommodation - Singapore

The Group is optimistic about the PBWA sector in Singapore, which is driven by strong demand for its workers accommodations and government policies that favour PBWA.

The Ministry of Trade and Industry (“MTI”) announced in November 2017 that Singapore’s economy expanded 5.2% in the July to September period over the same quarter a year earlier - its strongest showing since 2013.

MTI also expects improvement in construction demand in the coming year. Looking ahead to 2018, the Singapore economy is expected to grow 1.5% to 3.5%.

The sustained growth of the Singapore economy and the construction sector would contribute to the continued demand for foreign workers in Singapore in 2018.



Residents playing Cricket at Westlite Woodlands



Residents exercising at Westlite Tuas



Excursion to Malaysia

Market Outlook

In November 2017, the Ministry of Manpower announced that from 2H 2018, new foreign workers will need to attend a mandatory Settling-in Programme (“SIP”) to help them learn about Singapore’s social norms, laws, as well as their employment rights and obligations.

The move is aligned with the Group’s priority of ensuring workers’ successful integration in their accommodation, environment and their well-being. The Group will continue to concurrently focus on reinforcing this aspiration and strengthening its market position in 2018.

Workers Accommodation – Malaysia

In Malaysia, the Standard Minimum Housing and Amenities Act 446 (1990) was amended in January 2018 to make it mandatory for employers to provide an integrated and centralised labour quarters for their foreign workers. This is part of the efforts made by the Malaysian government to provide better living conditions for foreign workers.

The announcement helps drive the demand for PBWA beds further and contribute to the continued occupancy of the Group’s facilities, especially with its quality accommodations in Malaysia. The Group therefore welcomes the new legislation and is confident of its growth prospects in the country.



Residents playing sports



Residents at the supermarket



Residents playing Water Polo at RMIT Village

Student Accommodation – Australia

According to Savills’ Australian Student Accommodation Market Report published in September 2017, Australia is the third most popular global destination for international students studying abroad. It is little wonder that this triggered a wave of investment into accommodation that is considered a growing property investment asset class.

The Savills report projected that higher education enrolments in Australia will reach 720,000 by 2025, representing a 50% increase over 2015 levels. This is supported by Knight Frank’s Student Housing 2018 Report, which found that 2016 was the fourth consecutive year that the number of full-time overseas students enrolled in Australia’s higher education institutions registered a 9.2% growth during the year.

For 2018, as political reform of the Australian Higher Education sector remains top of the agenda, there will be increased competition to provide high-quality PBSA in the country. Centurion’s assets in Melbourne and Adelaide will be expected to perform positively with the trend as well as the elevated demand driven by the steady influx of international students.

Market Outlook



Dual Primary Listing in Hong Kong

Student Accommodation - United Kingdom

Similarly, in the UK, a December 2017 report released by Cushman & Wakefield, UK Student Accommodation Report, revealed that there are now more students than in previous years, with 1.7 million now studying full-time, up 2.6% from the previous year. Overall, UK universities continue to attract an increasing number of students from outside the UK, with European Union students growing by 48% and international students by 70% over the last decade.

According to the report, the market continues to evolve swiftly with 30,000 new beds delivered for this academic year, the largest increase ever observed. Over the same period, almost 8,000 beds have been taken out of use to be refurbished or repurposed. University activity is expected to remain strong and student accommodation market will still be one of the most attractive asset classes. The Group is well-positioned to support this growing demand with its proven track record, and will continue to focus on delivering high quality accommodation services.

Student Accommodation - Singapore

In 2017, the Group entered into a number of agreements with local academic institutions for dwell Selegie. This has significantly stabilised occupancy and increased take up.

The Group will continue to leverage its close relationships with educational institutions in marketing the asset and is optimistic in maintaining high occupancy for coming academic years.

Student Accommodation - United States

The successful completion of the acquisition of six PBSA assets in the United States ("US") marks Centurion's first venture into the world's largest tertiary education market.

With the assets located in five strategic states, including Connecticut, Florida, Alabama, Texas and Wisconsin, they primarily cater to first tier universities. It is a significant step for the Group in achieving its strategic vision of geographic diversification of the businesses, and is confident that healthy occupancy rates can be attained in 2018.



Students moving into their accommodation



Management engaging with investors

Investor Relations

PROACTIVE & TRANSPARENT COMMUNICATION

On top of creating long-term value for our stakeholders through our established track record, Centurion remains committed to fostering strong relationships with all shareholders and the financial and investment communities by engaging them in regular and transparent communications. Beyond just compliance to fulfil our disclosure duties, we seek to communicate proactively and allow existing and potential investors to make informed decisions.

Furthermore, we continue to support the efforts by the Securities Investors Association Singapore (“SIAS”) to promote the “Good Corporate Governance Policies” initiative, as we believe that it is in line with our commitment to uphold high standards in accountability and disclosure. SIAS aims to instil fair corporate governance practices, through this initiative, which are critical in safeguarding the financial market and the broader economy.

We are heartened to have been awarded the Shareholder Communications Excellence Award (“SCEA”), Mid Cap Category, at the Securities Investors Association 18th Investors’ Choice Awards 2017. Additionally, Centurion was recognised at the 2017 Singapore Corporate Awards, having won two awards – Best Chief Financial Officer and a silver award for Best Investor Relations.

The Company continues to adopt high standards of transparency and regularly reaches out to existing and potential investors, analysts, media and shareholders through various communications channels and programmes such as the corporate website, corporate announcements, general meetings and outreach activities, throughout the year. The accolades awarded to the Company are testament to our commitment to strong corporate governance and investor relations.

MULTIPLE COMMUNICATIONS CHANNELS

Website, Corporate Announcements and Alert Services

Centurion’s corporate website (www.centurioncorp.com.sg) allows for easy access to comprehensive information on the Company. Information such as stock data, corporate announcements filed to the Singapore Exchange Securities Trading Limited (“SGX”) (SGX stock code: **0U8**) and the Stock Exchange of Hong Kong Limited (“SEHK”) (SEHK stock code: **6090**), financial statements, news releases, presentation slides, publications and other corporate developments are regularly updated to keep shareholders and the general public abreast of its performance in a timely basis.



SGX-SIAS Corporate Connect Seminar

All new announcements, such as corporate developments, financial statements, news releases and presentation slides are posted on the corporate website following its release to the SGX and SEHK to ensure prompt dissemination of information to shareholders in Singapore and Hong Kong. Centurion publishes timely updates on its financials and operations in a clear, concise and factual manner.

Our website also offers an email alert service, where the public, analysts, shareholders and potential investors can sign up for notifications on the latest corporate announcements, SGX and SEHK filings.

ANNUAL OR EXTRAORDINARY GENERAL MEETING

Centurion holds its Annual General Meeting (“AGM”) every April in Singapore. Extraordinary General Meetings (“EGM”) will be held, when relevant, to discuss specific issues. In September 2017, an EGM was held to seek shareholders’ approval on the share offer to be carried out in conjunction with the dual listing and the adoption of the new constitution.

AGMs and EGMs serve as a platform for shareholders to interact with the Board of Directors and management, as well as to decide on the proposed resolutions. The AGM also allows the management to share with the shareholders the strategic direction of the Group and for the Board of Directors and management to address shareholders’ questions or concerns.

OUTREACH ACTIVITIES

Centurion is committed to engaging institutional investors and analysts on a regular basis as part of its outreach programme with the investment community. Through media platforms, the Group also seeks to inform and articulate its strategies and plans to the general public.

We also hold half-yearly results briefings and on an ad-hoc basis, organise post-results conference calls, one-on-one and small group investor meetings, roadshows and investor luncheons. In these meetings, matters pertaining to the business strategy, operational and financial performance as well as prospects of the Group were shared by the senior management team.

Investor Relations

2017 / 2018 INVESTOR RELATIONS CALENDAR

Date	Event
January 2017	Credit Suisse 8 th Annual ASEAN Conference, Singapore
February 2017	4Q/FY2016 Results Announcement
March 2017	4Q/FY2016 Analysts & Media Briefing
April 2017	FY2016 Annual General Meeting
May 2017	1Q2017 Results Announcement
June 2017	Presentation to retail investors at SGX Corporate Connect
August 2017	2Q/1H2017 Results Announcement Analysts & Media Briefing
September 2017	Extraordinary General Meeting
October 2017	SGX-Credit Suisse Real Estate Corporate Day Presentation to trading representatives hosted by Phillip Securities
November 2017	3Q2017 Results Announcement Investor Roadshows hosted by UOB Kay Hian Investor Luncheon and Hong Kong Public Offer Press Conference
December 2017	Listing at the Stock Exchange of Hong Kong
February 2018	4Q/FY2017 Results Announcement Analysts & Media Briefing
April 2018	FY2017 Annual General Meeting

The management was able to effectively reach out to both its existing and new investors to raise awareness and investor interest in Centurion through this outreach programme and would strive to consistently improve on its ongoing stakeholder communications.

ANALYST COVERAGE

Coverage from analysts remains an important source of information for institutional and retail investors.

We regularly engage equity research houses, allowing them to better understand the Group's business, and reflecting accurate information in their coverage reports.

The following equity research houses provide research coverage on Centurion as at 31 December 2017:

Research House	Coverage Commencement
DBS Vickers	October 2013
RHB Research	February 2014
UOB Kay Hian	April 2014
Maybank Kim Eng Research	March 2015
Phillip Securities Research	November 2016

COMPANY SHARE INFORMATION

	SGX	SEHK
Stock Code	OU8	6090
Bloomberg Ticker	CENT SP	6090:HK
Closing Price (as at 31 December 2017)	S\$0.53	HKD\$3.08
Shares Outstanding (as at 31 December 2017)	689,700,785	151,077,839
Market Capitalisation (as at 31 December 2017)	S\$362.1 million	HKD\$465.3 million
Closing Price Range (FY2017)	S\$0.34 - S\$0.58	HKD\$3.08 - HKD\$3.24

FEEDBACK CHANNELS

Centurion actively seeks investors' feedback by encouraging shareholders to provide feedback or submit their enquiries to the management.

For enquiries or feedback on Centurion, please contact:

David Oh Ser Wee

Investor Relations Manager

Phone: (65) 6745 3288

Email: david.oh@centurioncorp.com.sg

Group Structure



STRIVING FOR PURPOSE BEYOND EXCELLENCE

Centurion is committed to monitoring, strengthening and communicating our sustainability efforts, and this year we have formally undertaken a sustainability review of the business. In aligning ourselves with reporting requirements and international advancements, we will continue to strive to operate in a sustainable manner for all our stakeholders.

We believe that creating sustainable value for all stakeholders is key for long-term success and we seek to strike a balance between achieving our business goals, serving the community we operate in and actively minimising our environmental footprint and any negative impact. We do so by managing risks – operational or strategic – by being financially sound, while providing a clean and safe environment for our employees, workers and tenants.

As one of Asia's largest workers and student accommodation owner operators, our business is very much about housing people in a safe and conducive living environment. We have adopted and adapted this principle into all our accommodation assets globally as we believe in cultivating active community-living spaces which are inclusive, diverse and dynamic for our residents.

We also believe in proactive engagement with the wider community, by adopting and supporting meaningful causes that are synonymous with Centurion's core values of "management with a heart". We do this through engaging residents, supporting local charitable organisations and reducing potential negative environmental impact from our business operations.



Excursion to Malaysia



Genting Excursion Trip





Excursion to Gardens by the Bay



RMIT Village Arabian Nights Ball

Sustainability Report

ABOUT THIS SUSTAINABILITY REPORT

The Group's inaugural sustainability report ("**SR**") was prepared in accordance with the "Global Reporting Initiative Standards: Core option" ("**GRI Standards**"). Unless otherwise stated, this report covers the Economic, Environmental, and Social ("**EES**") performances of the Group's properties in four (4) of our key markets namely Singapore, Malaysia, Australia, and United Kingdom from 1 January 2017 to 31 December 2017 ("**FY2017**").

Environmental performance pertains only to our head office and communal areas within the Group's Student and Worker Accommodation based in Singapore, Malaysia, Australia and United Kingdom, and also where the Group has the ability to collect the information, as well as to monitor the usage and efficiency of utilities. Our Management team and functional units will identify, measure and address sustainability related matters on an ongoing basis. The Board shall oversee the identification and management of sustainability practices.

References have been made to comply with the five (5) primary components of sustainability reporting as set out by the Singapore Stock Exchange Ltd (the "**SGX-ST**") "Comply or Explain" requirements for sustainability reporting, as well as the Stock Exchange of Hong Kong Limited ("**SEHK**") Environmental, Social and Governance (ESG) Reporting Guide.

The Group has not sought any external assurance nor have committed to providing any deliverables arising from this report.

BOARD STATEMENT ON OUR FIRST SUSTAINABILITY REPORT

As your Board of Directors ("**the Board**"), we recognise that creating sustainable value for all of our stakeholders remains at the core of our business. Centurion is committed to strike a balance between achieving our business goals, meeting the needs of our stakeholders and actively minimising our environmental footprint and any negative impact. We understand that by monitoring and evaluating our EES efforts moving on, the Group acts responsibly in the best interest of our shareholders and gains competitive advantage in the long term.

Shareholders should note that we have previously covered some of these subjects under "Corporate Sustainability and Responsibility" in previous annual reports. Now, we try to culminate this effort through a more comprehensive write-up to provide you with a better and clearer understanding of what we are trying to accomplish moving forward.

With consultation of the Management, the Board has agreed to monitor our sustainability efforts in the coming years through good corporate governance practices, and compliance with all prevailing legislations to the best of our ability.

We have approved and overseen the selection and identification of material EES topics by the Management with reference to the GRI Standards, SGX and SEHK requirements. We intend to focus on continuous improvement of our health and safety standards, providing equal career and development opportunities for all employees regardless of gender and race, minimising possible negative environmental or social impact, and actively engage the communities where we operate. In addition, we will collaborate more with various government agencies and non-governmental organisations and seek to better understand and address our stakeholders' expectations.

We look forward to having our stakeholders' support as we pursue sustainable business practices.

Yours faithfully,
For and on behalf of the Board

Wong Kok Hoe (Chairman)
Kong Chee Min (Chief Executive Officer)

REPORTING LOCATIONS, BOUNDARIES AND PERIOD

For the purpose of this report, we focus primarily on sustainability performance of our business operations in Singapore, Malaysia, Australia and United Kingdom. The environmental performance relates to the head office and communal areas where we can monitor and manage the efficiency of our utilities' consumption. As our United States' ("US") acquisition was completed in 2H FY2017, we will cover the EES performance of our US student housing business in the next SR report.

For more information on PBWA and PBSA performance, and their locations, please refer to our "Letter to Shareholders" on pages 4 to 7, "Business Portfolio" on pages 22 to 29, and "Operation Review" on pages 34 to 37 in our annual report.

SUSTAINABILITY GOVERNANCE

Centurion's Board and Senior Management are involved in the assessment and review of sustainability matters. The Board is supported by the Management's sustainability taskforce, comprising of CEO, Risk Management, Investor Relations team and heads of different business units, to spearhead sustainability efforts in the organisation.

The Board maintains overall oversight to the sustainability work carried out by the taskforce, which includes the process of stakeholder engagement, identification of material EES topics, and the tracking of sustainability performance and progress. In addition, the Board reviews and approves the material EES topics identified by the sustainability taskforce.

GOVERNANCE DISCLOSURE

We believe in creating long-term value for our stakeholders through (i) established track record and commitment to high standards of corporate governance; and (ii) providing asset protection for our internal and external stakeholders, especially our shareholders and employees who are directly interested in the Group's success. We also believe in having people with integrity and attitude to uphold the highest corporate governance standards.

For more details on Board members composition, remuneration package and commentary on our corporate governance practice, please refer to our 'Corporate Governance Report' section from pages 73 to 92 in our annual report.

Due to our good practise of investor relations and corporate governance, Centurion had won the Shareholder Communications Excellence Award (SCEA), Mid Cap Category, at the SIAS 18th Investors' Choice Awards 2017 based on a Shareholder Communications Excellence Assessment scorecard jointly developed by SIAS and the Centre for Governance, Institutions and Organisations of NUS Business School. Centurion was also recognised at the 2017 Singapore Corporate Awards having won two awards; Best Chief Financial Officer and a silver award for Best Investor Relations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for the governance of risk and sets the tone and direction for risk management practices. The Board has ultimate responsibility to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and does not expose the Group to an unacceptable level of risk. For more information on our risk management and internal control, please refer to pages 84 to 85 under the "Corporate Governance Report" section in our annual report.

CODE OF BUSINESS CONDUCT

The Group has a comprehensive Code of Conduct adhering to ethics and conduct of business when dealing with issues such as rules of engagement, client's confidentiality, conduct of work, discipline, grievance, sexual or workplace harassment, and the handling of corporate or individual gifts. The Code of Conduct aims to provide guidance for our employees when dealing with any of the aforesaid matters as we grow our business over time.

We have also implemented the Whistle-Blowing policy overseen by our Audit Committee to encourage our officers, employees, vendors/contractors, consultants, suppliers and/or customers to provide information that evidences unsafe, unlawful, unethical, fraudulent or wasteful practices. We also take measures to protect the whistleblower from retaliation, harassment, adverse employment consequences or any other discriminatory acts.

Sustainability Report

ANTI-BRIBERY AND CORRUPTION POLICY





The Board expects the Group's employees including themselves to have zero tolerance for bribery or corruption which would include business associates, customers, third-party service providers or vendors. The Group Anti-Corruption Policy has been disseminated to all employees and a copy is also published on the Group's website. So far, the Group has not received any reportable incident of our employees engaging in corruption or bribery cases.

As an additional disclosure, the Group confirms that no monetary incentive or its equivalent were provided to

any politically exposed person or their political parties where the Group operates in order to secure any contracts or tenders. The Group has also not made any political contributions in all the countries where we operate.

CENTURION'S STAKEHOLDER ENGAGEMENT

Understanding the expectations of our stakeholders and fostering long-term relationship with them is essential to the Group's success. During the reporting period, as part of a materiality assessment facilitated by an external consultant, we have assessed and identified key concerns and expectations of our stakeholders in the following table:

OUR STAKEHOLDERS	HOW WE ENGAGE	KEY CONCERNS & EXPECTATIONS	OUR RESPONSE
GOVERNMENT & REGULATORS 	<ul style="list-style-type: none"> • Senior management representation on board of various industry bodies • SGX Quarterly Announcements • Annual Reports • Sustainability Reports • Ongoing dialogues 	<ul style="list-style-type: none"> • Workplace health and safety • Regulatory compliance • Sharing of industry best practices 	<p>We keep ourselves abreast of the prevailing rules and legislations through regular trainings, public seminars and consultation with external professionals.</p>
CUSTOMERS (INCLUDING RESIDENTS) 	<ul style="list-style-type: none"> • Annual Customer and Resident Surveys • Annual Reports • Website and Social Media • Resident Life Events • Resident Assistant Programme 	<ul style="list-style-type: none"> • Safe and clean living environment and condition • Customer service and experience • Affordable quality accommodation 	<p>We do so via regular social settings or through activities. Official channel to provide formal feedback is also available in all our offices across different locations.</p>
EMPLOYEES 	<ul style="list-style-type: none"> • Set up Centurion "Happy Committee" – an inter-department committee that organises company-wide activities to foster work-life balance and reinforce team spirit • Well-structured and open annual performance appraisal system to link performance with remuneration • Training and education opportunities 	<ul style="list-style-type: none"> • Competitive remuneration and benefits • Career development and training opportunities • Ethics and conduct • Job security • Work-life balance • Corporate direction and growth plans 	<p>We provide a conducive, open and transparent environment in our workplace. Feedback from employees is taken during formal appraisal and informally through social gatherings or communication sessions.</p>
INVESTORS AND SHAREHOLDERS 	<ul style="list-style-type: none"> • Annual General Meeting and Extraordinary General Meeting • Quarterly Financial Results and Presentations • Roadshows and conferences • Annual Reports • Regular analyst and Media meetings • Investor meetings and calls • Corporate Website 	<ul style="list-style-type: none"> • Business and Growth strategies • Acquisitions and Divestments • Risk Management • Corporate governance • Economic performances 	<p>We are committed to adhere with the guidelines under the Singapore Code of Corporate Governance 2012, SEHK Corporate Governance Code, and the prevailing Listing Rules or legislations to ensure transparency and timely dissemination of all material information to our investors, shareholders and other key stakeholders.</p>

CENTURION MATERIALITY ASSESSMENT FRAMEWORK

For this report, we have adopted the reporting principles (Stakeholder inclusiveness, Sustainability context, Materiality, and Completeness) under the GRI Standards. The Group proactively identifies, mitigates, and manages our key business risks, including material EES topics, by leveraging on our enterprise risk management framework.



Sustainability Report

KEY MATERIAL EES TOPICS

Materiality is any factor that can have a present or future impact on our value creation and business performance. The material EES topics in the right hand quadrant were determined based on the results of our materiality assessment in FY2017 and are mapped below. To keep abreast of critical issues, we will periodically review our material issues against the changing business landscape, emerging global and domestic trends, regulatory development, as well as stakeholders' opinions.

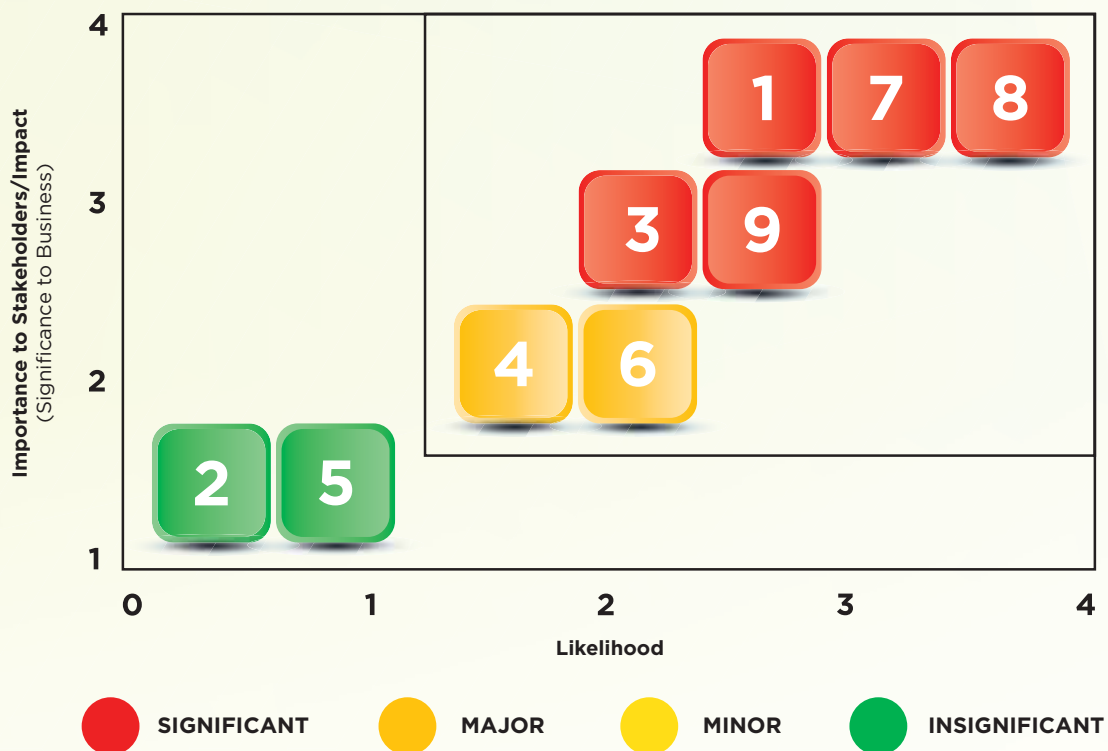


TABLE: PRIORITISATION OF EES MATERIAL ISSUES MAPPED TO GRI STANDARDS

REFERENCE	EES TOPICS	MAPPED TO GRI STANDARDS
Economic		
1	Economic Performance	GRI 201: Economic Performance
7	Indirect Economic Performance (i.e. CSR)	GRI 203: Indirect Economic Performance
Environment		
3	Energy Efficiency	GRI 302: Energy Efficiency
4	Water Conservation	GRI 303: Water Conservation
Social/Labour Practices		
6	Labor Practices (i.e. training & development)	GRI 403: Occupational Health and Safety
8	Health & Safety	GRI 416: Customer Health and Safety
9	Socioeconomic Compliance	GRI 419: Socioeconomic Compliance
Not Significant		
2	Material Use	Not applicable as these EES topics had been assessed to be insignificant in FY2017
5	Environmental	

CENTURION'S COMMITMENT AND DISCLOSURES OF KEY PERFORMANCE INDICATORS

As a baseline, we have put in place certain commitment (targets) using key performance indicators ("KPIs"). These KPIs are expected to be refined and refreshed as we progress on our sustainability initiatives.

PERFORMANCE INDICATORS	COMMITMENT (TARGET)	KPIs
GRI 201 Economic Performance	Growing recurring (sustainable) profits and cash flow	<ul style="list-style-type: none"> Revenue Operating Costs Economic Value Retained
GRI 203 Indirect Economic Performance	To invest in the communities where Centurion operates as the long-term success of Centurion's business is closely intertwined with the health and prosperity of these communities	To continue with the existing significant Corporate Social Responsibility initiatives for our residents and local communities
GRI 302 Energy Efficiency	Maintain energy consumption through energy efficiency. Innovate, develop and adopt energy-efficient fixtures and renewable energy solutions	To reduce or maintain the average electricity consumption per person (employee and resident)
GRI 303 Water Conservation	Maintain water consumption at optimal and recommended level, encourage use of treated/recycled water and prevent water pollution	To reduce or maintain the average water consumption per person (employee and resident)
GRI 403 Occupational Health and Safety	Provide a safe and healthy work environment for our employees and workers hired by our contractors	Injury rate (IR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees or workers
GRI 404 Training & Education	Improve employees competencies, employee turnover rate, benefits and welfare	<ul style="list-style-type: none"> Training hours per staff Type of assistance provided to upgrade employee skills
GRI 416 Customer Health and Safety	Ensure legal compliance in all areas of operations and uphold high standards of ethical business conduct and practices	Total number of non-compliance incidents with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period
GRI 419 Socioeconomic Compliance	Ensure legal compliance in all areas of operations and uphold high standards of ethical business conduct and practices	Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area

Sustainability Report

FINANCIAL PERFORMANCE

For FY2017, the Group has recorded a revenue of S\$137.1 million, an increase of 14% from the previous financial year. The growth in FY2017 revenue was largely due to the improved performance of the Group's PBWA assets, with key contributions from the newer assets of Westlite Woodlands and ASPRI-Westlite Papan in Singapore.

The Group also recorded higher occupancy for its PBWA assets in Malaysia, as well as increased contributions from United Kingdom ("UK") PBSA assets acquired during 3Q 2016. Net profit from core business operations attributable to equity holders of the Company for FY2017 rose to S\$44.3 million, a 15% increase from the corresponding year. For more details, please refer to the Group's "Financial Review" found on pages 30 to 33. For detailed write up on our business risks, please also refer to "Financial Review" section from pages 32 to 33, and for challenges and opportunities, please refer to our "Letter to Shareholders" from pages 4 to 7 in our Annual Report 2017.

GROUP VALUE ADDED

	FY2017 \$'000
Value added from:	
Total revenue	137,113
Less: Purchase of goods and services	<u>(53,549)</u>
	83,564
Other income and gains	1,351
Share of results of associates (post-tax)	<u>5,498</u>
	6,849
Total value added	<u>90,413</u>
Distribution of total value added	
To employees in wages, salaries and benefits	17,366
To government in income and other taxes	11,746
To providers of capital on:	
- Interest on borrowings	21,545
- Dividends to shareholders	20,569
Total distribution	<u>71,226</u>
Retained in business	
Depreciation and amortisation	4,769
Retained profits	8,496
Non-controlling interests	<u>5,922</u>
	19,187
Total value added*	<u>90,413</u>
Total number of employees	<u>325</u>

* Total value added excludes fair value changes on investment properties and assets held for sale (including those of associated companies) as well as one off items such as provision of deferred tax arising from fair value gain and dual primary listing expenses.

The above Group Value Added statement is based on accrued basis as per the financial statements.

INDIRECT ECONOMIC PERFORMANCE - COMMUNITY

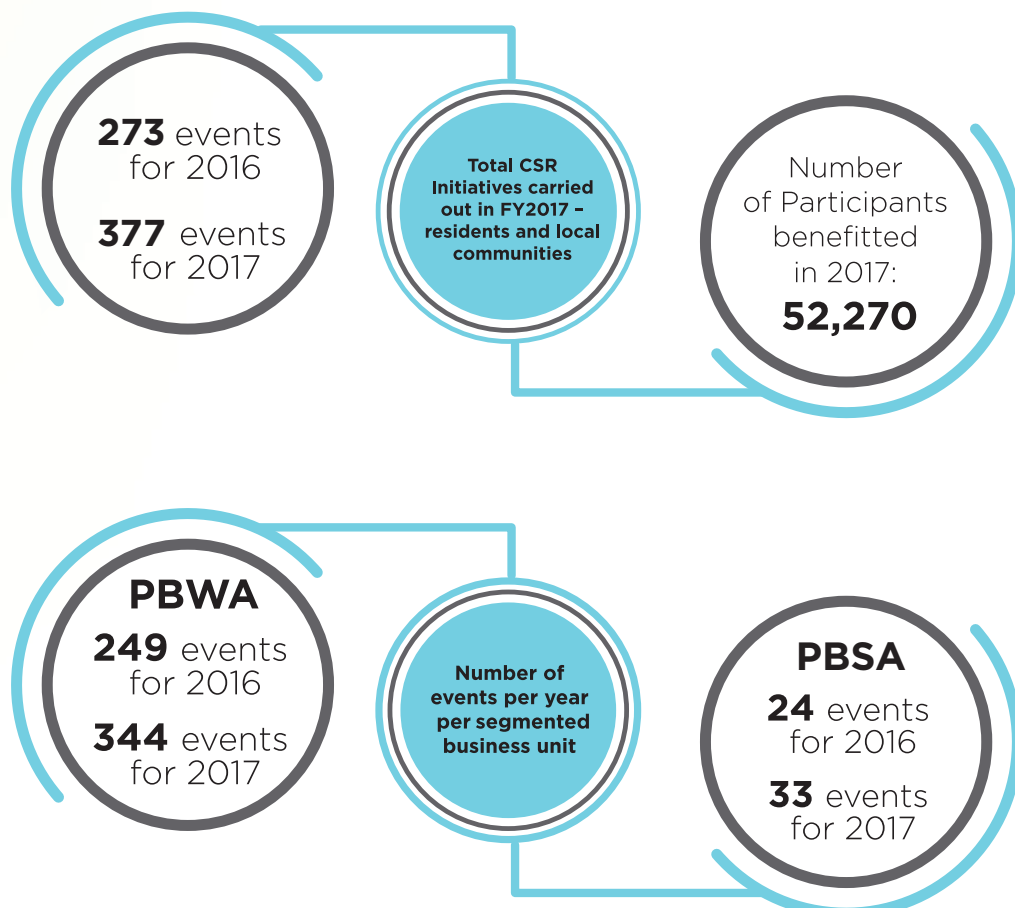
Centurion is a leading player in the Workers and Student Accommodation Business

As one of Singapore's largest workers and student accommodation owner operators, our core business philosophy since 2011 is to provide a safe and conducive housing environment. We strongly believe in cultivating active community living that is inclusive, diverse and dynamic. We also proactively engage the wider community through supporting charitable organisations and NGOs, reflecting our core value of "management with a heart".

Building partnerships with our stakeholders and community contributes to Centurion's social license to operate and is highly relevant to many of our stakeholders.

WHAT WE HAVE DONE	WHAT WE WILL CONTINUE TO DO
<p>Provided donations and financial assistance to various voluntary welfare organisations in Singapore, as well as encouraged and supported our employees in giving their time and attention to several charitable causes and events.</p> <p>We continuously engaged our residents by organising celebratory events and after work social activities such as sports competition and weekly movie screenings for foreign workers, and Pilates classes for the students.</p> <p>We also offered enrichment and training courses to enhance future employment opportunities of the foreign workers living in our dormitories.</p> <p>Continue with the hiring of an employee living with a physical and mental disability. We may increase the number of positions depending on the growth of our business.</p>	<p>Invest in the communities where Centurion operates as the long-term success of Centurion's business is closely intertwined with the health and prosperity of these communities.</p> <p>Continue to promote social growth and development of the underprivileged with respect to their education, healthcare and shelter needs.</p>

WHAT WE HAVE CONTRIBUTED TO COMMUNITY AND SOCIAL EVENTS



Sustainability Report

OUR PBWA COMMUNITY AND SOCIAL OUTREACH

Residents in PBWA hail from various countries working in Singapore with a hope of providing better living standards for their families. We look after them through the provision of quality accommodation, well-equipped amenities and facilities to serve their daily requirements and enhance their well-being. Our supermarkets are well stocked with food and sundries, food courts with stalls of their country's local foods, clinics, remittance agencies, haircut facilities, laundromats, ATM and more.

Our residents are an important aspect of our business and we want to ensure that they feel welcome within the community of their residence as well as the community at large. To this end, Westlite organises activities to make them feel welcome. Activities include excursions to places of interest, befrienders activities, health & safety roadshows, various different inter-dormitory sporting events & competitions, festive carnivals, movie screenings, night markets, variety shows and mega food, games and health carnivals.

CARING FOR OUR RESIDENTS - KEY HIGHLIGHTS

WHAT WE HAVE DONE	IMPACT TO OUR COMMUNITY
Organised excursion programmes and events for residents and provided opportunity for residents from our five PBWA in Singapore to visit tourist attractions in Singapore as well as in Malaysia, such as Petronas Twin Towers, Batu Caves, Putrajaya, and Genting Highlands.	<p>This promotes social cohesion, community bonding between residents and our staff. These excursions left fond memories for residents about Westlite and Singapore when they return to their home country.</p> <p>This makes our residents feel more welcome during their stay in Singapore and many were very appreciative of the trips as they have never been to the tourist attractions before.</p>
Employed a road accident survivor to paint murals on the walls of the Group's properties - Mr Lee Wei Kong.	<p>Provides employment opportunity to Wei Kong and allowed him to show case his talent.</p> <p>Residents of Westlite's workers accommodation with a total capacity of c.26,100 beds[^] will be able to enjoy beautiful art and wall murals.</p> <p>[^] excluding Westlite Tuas, with a capacity of 8,600 beds, which lease has expired in January 2018.</p>
Organised annual 'Westlite Days' at PBWA which include variety shows, songs, dance, and professional performances catering to different cultural profiles of residents. Westlite Days have been well received since 2012 by residents.	Promotes better social cohesion, community bonding, and finer appreciation of the cultures of the different nationalities through the variety of performances during Westlite days, benefitting more than 30,000 residents.
Engaged a professional cricket club (Andhra Cricket Colts Event Management) to organise Westlite Super 6's Inter-dormitory Cricket League, yearly since 2015.	Cricket is a favourite sport enjoyed by most of our PBWA residents from South Asian countries. The series of cricket matches played between dormitories serves as a good platform for them to enjoy and win monetary prizes.

What we have done	Impact to our Community
<p>Annual inter-dormitory street soccer and volleyball competitions are major features of Westlite's sporting calendar. Teams from different dormitories will first compete among themselves within the accommodation and the winning team will pitch with the best teams from the different dormitories to clinch the overall championship that includes cash prizes and/or medals/trophies. Other sports activities organised include street soccer, badminton, carrom, sepak takraw, cycling, dragon boat, table tennis, football, paintball and basketball.</p> <p>We also provide transportation for residents to sporting venues and refreshments to encourage them to participate actively.</p> <p>Our Malaysian PBWA also organised annual Hari Raya cooking competitions for the residents.</p>	<p>Promotes friendships and enhances interpersonal relationships between residents of diverse cultures and backgrounds through sports. Sports also help to build physical well-being, leading to happier, healthier workers which indirectly improves productivity for their employers.</p> <p>Opportunity for approximately 49,800 residents[^] in PBWA in Singapore and Malaysia to participate in sporting activities to improve physical health, boost self-esteem and reduce stress. Our employees also participated in sports with residents and this further promotes integration between staff and residents.</p> <p>[^] excluding Westlite Tuas, with a capacity of 8,600 beds, which lease has expired in January 2018.</p>

PARTNERING WITH ORGANISATIONS AND WELFARE GROUPS

What we have done	Organisation / Welfare Group	Impact to our Community
<p>Partnered with external non-governmental organisations ("NGOs"), voluntary welfare organisations ("VWOs") and educational institutions to extend help and care, and make a positive difference to the lives for our residents. Such services include counselling, pastoral services, or accessible healthcare within our accommodation.</p> <p>Partnered with a commercially run medical clinic to offer medical consultation and treatment to our residents at subsidised rates.</p> <p>Students are sign-posted and encouraged to register with local NHS EP's (doctor) so that they are familiar with the local health care system to which they can access easily without delay in time of illness.</p>	<ul style="list-style-type: none"> Seventh-day Adventist Church Methodist Welfare Services HealthServe National University of Singapore (Medical Faculty) Saint Andrew's Community Hospital P.E. Comcare and Association of Diabetes Educators Singapore (ADES) Bewell Clinic @Dorm 	<ul style="list-style-type: none"> This provides an alternative for migrant workers to assess their mental and physical well-being either free of charge or at a nominal fee. For example: <ul style="list-style-type: none"> HealthServe's community medical and dental clinic operates every Saturday/Sunday evening and offers general practitioner and dental services to the residents of Westlite Mandai and Westlite Papan. Bewell Clinic provides subsidised treatment and medication to Westlite Toh Guan residents. About 800 residents are treated every month. HealthServe further provides free annual medical screenings at each PBWA. Residents found having medical conditions such as high blood pressure, diabetes or eye issues were recommended for further check. Benefitted over 1,500 residents who had participated in the medical screenings during FY2017. Provided weekly well-being support to residents without them having to leave the Community.

Sustainability Report

What we have done	Organisation / Welfare Group	Impact to our Community
Partnered with privately-funded NGOs and commercial organisations to promote migrant worker social integration (such as International Migrants Day and festival celebratory events which includes mega games, carnival and festive food)	Project Chulia Street in partnership with the following: <ul style="list-style-type: none"> • 45Rice • Kerbside Gourmet • Kuhlbarra • NPE Print Communications • National Volunteer & Philanthropy Centre • Ben & Jerry's • The Samsui Supplies and Services • Pezzo 	<ul style="list-style-type: none"> • Provides opportunity to bring together like-minded individuals/entities for projects that enhance health, diet and well-being of migrant workers. • Benefitted over 27,000 residents cumulatively since its inception.
Offered various training and enrichment courses, including accredited ones, to our residents (such as computer literacy and English language courses)	<ul style="list-style-type: none"> • Association of Process Industry ("ASPRI") at ASPRI-Westlite Papan • Methodist Welfare Services • Goducate 	Provides opportunities for our residents to enrich and upgrade their skills to further their employment opportunities.

OUR PBSA COMMUNITY AND SOCIAL OUTREACH

Our principles are based on making student residents feel welcome in their "home away from home". Our focus has always been our residents, helping to promote an inclusive, engaged community. We provide a chance for them to experience something new through a variety of social events, networking with organisations within the cities where we live. By doing so, we are able to meet our core principles of emotional and physical well-being throughout the journey with **dwel student living**. We strive to roll out more initiatives and give back to worthy causes across the community where our accommodation assets are based.



Variety Show at Westlite Mandai



Residents having orientation

CARING FOR OUR RESIDENTS - KEY HIGHLIGHTS

What we have done	Impact to our Community
Provided scholarships in the form of free accommodation to RMIT University students at RMIT Village.	A total of 16 students in 2017 have benefited from the scholarship programme, otherwise, they would not be able to attend university.
Organised and invited students to sign up free events in our social space, which includes Pilates or Yoga classes.	Promotes healthy lifestyle to students which improved their well-being. This gave students a chance to learn something new within their community and promoted healthy lifestyle whilst studying at university.
Organised Chinese New Year celebrations for our students and international students annually. Similar celebratory events were also organised on major festival days through the year.	Provides opportunities for international students to celebrate traditional festivals, promotes interaction with other residents and build stronger community spirit. Not all Asian students who celebrate CNY are able to head home to their families and hometowns. We bring the festive celebration to them.
Organised "R U OK" event where students in the community are engaged to ask their neighbours and friends R U OK? Created a "Why are you okay?" wall, where students posted messages (yellow sticky notes) to share positive thoughts.	Encourages students to meet, share issues and needs with our accommodation resident managers and their neighbours. Over the course of the event, the "Why are you Okay?" wall was filled with positive notes from students, reinforcing the idea that residents have many good things to look forward to in their life.
Hosted 'Study Sessions' for students.	Provides opportunity for students to meet with other students studying similar subjects. At these sessions, students were encouraged to discuss study strategies, experiences and share industry contacts.



Dragon Boat Orientation



Residents having fun at RMIT Village

Sustainability Report

PARTNERING WITH ORGANISATIONS AND WELFARE GROUPS

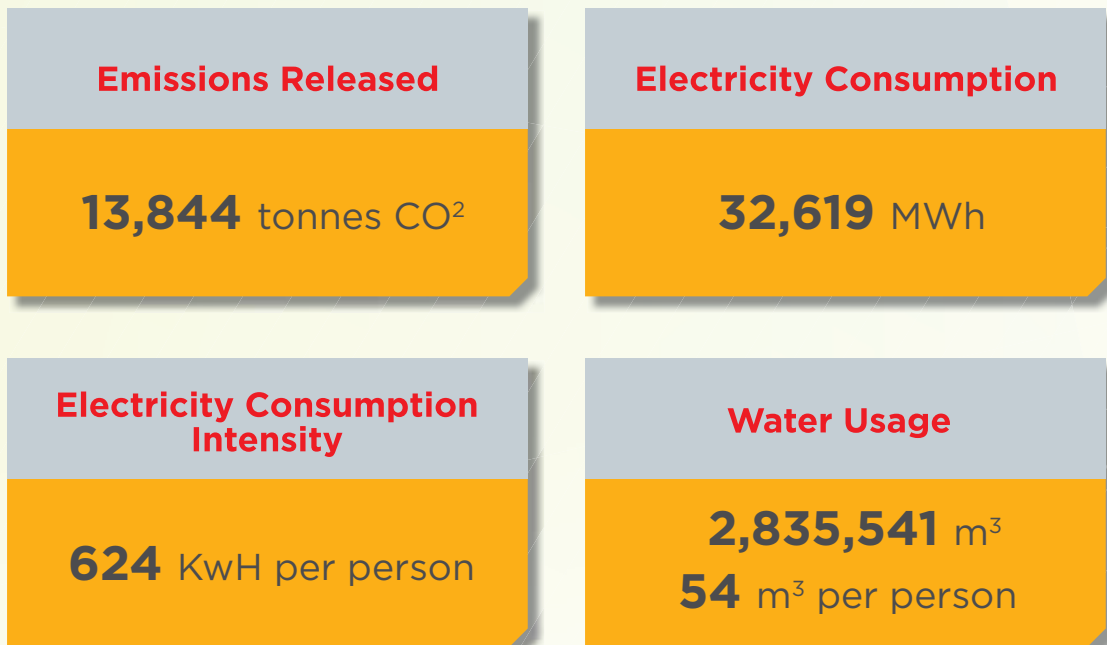
What we have done	Organisation / Welfare Group	Impact to our Community
<p>Provided opportunities for mental health industry partners to engage with our resident community, and offer their services for our residents' mental well-being needs.</p> <p>Students were provided with support networks they could contact, apps they could download and opportunities for personal consultations (eg with The Samaritans on site visits).</p> <p>Partnered with an external organisation to extend help and care, and make a positive difference to the lives of our students. Such services included counselling, pastoral services, or accessible healthcare within our accommodation.</p>	<ul style="list-style-type: none"> The Samaritans Mind University of Manchester Wellbeing 	<ul style="list-style-type: none"> Promotes mental health awareness and made residents aware that there is always someone to talk to. The Samaritans on site gave students an opportunity to talk to a professional about any support they might need. Students are given the chance to talk openly with their peers about the pressure of University or any concerns they might have living away from home. Provides weekly well-being support to students without them having to leave the community.
<p>Staff and students came together as a team to help raise funds for a good local cause.</p> <p><u>In Liverpool, UK</u> They took part in a 5 km charity run dressed as Santa Clauses'. This event was held in Liverpool City Centre, for a children's hospice charity.</p> <p><u>In Melbourne, Australia</u> Organised a charity drive where student baked items were sold to other residents, and money raised were donated to Melbourne animal rescue.</p>	<p><u>Liverpool, UK</u></p> <ul style="list-style-type: none"> Clare's Children's Hospice BTR Liverpool Ltd. <p><u>Melbourne, Australia</u></p> <ul style="list-style-type: none"> Melbourne Animal Rescue 	<p><u>Liverpool, UK</u></p> <ul style="list-style-type: none"> Money raised went to a Children's Hospice based in the UK that helps support families with terminally ill children. <p><u>Melbourne, Australia</u></p> <ul style="list-style-type: none"> Supports an NGO for students who love animals.
<p>Held Taco Night with donations to Swags for the Homeless (Swags) so that beds can be provided to the homeless people.</p>	<p>Swags for the Homeless</p>	<p>This provides an avenue for the students to give back to the community, and helps support the homeless.</p>
<p>Collaborated with the Guide Dogs for the Blind Association to conduct a talk for our students about the importance of guide dogs to support people in the community with visibility impairments. Charity boxes were also left for students to donate.</p>	<p>Guide Dogs for the Blind Association</p>	<p>Money raised from this charity was used to support the blind and partially sighted people across the UK through the provision of guide dogs, mobility and other rehabilitation services.</p>

ENGAGING THE WIDER COMMUNITY - KEY SOCIAL/COMMUNITY CONTRIBUTIONS

What we have done	Organisation / Welfare Group	Impact to our Community
Corporate sponsorship for Taman Jurong Community and Development Welfare Fund	Taman Jurong CCC CDWF	The funds raised goes towards supporting (i) assistance to needy and/or meritorious students in pursuing education; (ii) financial and social assistance to needy residents; and (iii) welfare and programmes for the promotion of social cohesion, racial harmony and civic responsibility.
Corporate sponsorship for a charity concert in support of the Lee Sing Kong Endowment Fund	Nanyang Technological University	Contributes to the Lee Sing Kong Endowment Fund, supporting the Professorship in Early Childhood Education and the Lee Sing Kong Bursaries to help needy students to pursue a quality education at the Nanyang Technological University.
Corporate sponsorship for Buddy Walk and Fundraising Event	Down Syndrome Association	Supports educational and enrichment programmes for children and adults with Down syndrome.
Corporate sponsorship as part of fundraising at the 21st Community Youth Golf Charity @ Sentosa Golf Club	Youth Golf Network Ltd	Supports various community youth programs for needy youth.
Corporate sponsorship of 12,600 pcs of DVDs for NDP 2017 for the commemorative handbook	NDP Sponsorship committee	Supports our National Day Parade.
Fundraising event for the Care Community	Care Community Ltd	Benefitted disadvantaged individuals and families.
Donation of new or pre-loved shoes to the needy.	Soles4Souls	Provides some relief to the needy around the world.
Charity Donations	United Overseas Bank Limited	Funds support beneficiaries from The Business Times Budding Artists Fund, The Straits Times School Pocket Money Fund, Fei Yue Community Services, and Very Special Arts Singapore Ltd.
Charity Donations	Befriender Johor Bahru	Provides financial support for Befriender to offer public education and confidential emotional support so as to reduce the risk of suicide.
Charity Donations	St John Ambulance Johor Bahru (SJAM)	Funds raised go towards supporting the activities of SJAM for the benefit of the public, including ambulance services, first aid and community services to the public.

Sustainability Report

SNAPSHOT OF OUR GROUP'S ENVIRONMENTAL PERFORMANCE IN FY2017

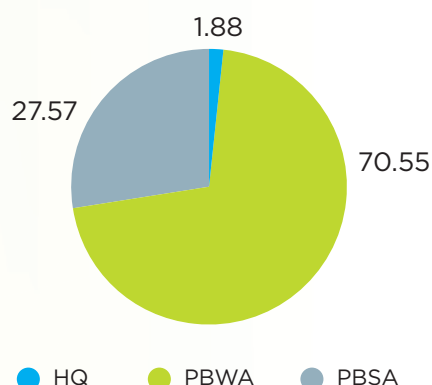
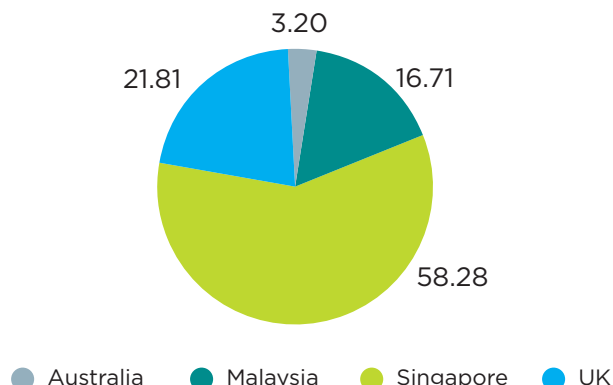


ENERGY

Given the nature of our Group's businesses, environmental policy and guidelines are important consideration for our operations across geographical locations and for all our stakeholders.

Generally, the Group consumes electricity directly via the national electricity grid as an end user. We currently do not use external renewable sources or self-generated energy. Therefore, we expect increases in electricity price to have a direct impact to PBWA and PBSA businesses.

By business lines, our PBWA's business consumes 71% of the overall electricity consumption followed by our PBSA business at 28%. Our PBSA business by country's consumption is the highest in United Kingdom mainly due to the number of PBSA locations there where electricity usage peaks during winter for heating. We expect our Australia's energy usage to also increase after our dwell Adelaide is completed in 2018. Country-wise, Singapore uses the most electricity due to our PBWA's business at 59% followed by United Kingdom, Malaysia and Australia.

**Percentage (%) of Electricity Usage in MWh in FY2017
(by business lines)****Percentage (%) of Electricity Usage in MWh in FY2017
(by countries)**

Based on the data collected, the total energy consumption in FY 2017 for the Group, including the Head Office (“HQ”), was 32,619 MWh. The total electricity usage was based on data where the Group was able to monitor and pay for the amount consumed. In some PBWA and PBSA assets, our residents are responsible for their own electricity costs and these are excluded from the calculation above.

Description	FY 2017
Consumed (MWh)	32,619
In S\$ (total)	\$5.77m
Indirect GHG Emission (Scope 2)	13,844 tonnes CO ²
Average emission/consumption per person (Employees and residents)	265 kg CO ² per person or 624 kWh per person

Note: Emission factor used is based on the Electricity Grid Emission Factor for 2016, Energy Market Authority, Singapore

We monitor the usage of our electricity consumption, take measure to evaluate and reduce consumption over time. We also actively implement efficient devices to encourage the acceptance of renewable energy across geographic locations. Some of the key initiatives we have adopted are:

- Lifts operate on a variable voltage and frequency motor drive with sleep mode features to help reduce electricity usage
- ASPRI-Westlite Papan in Singapore uses energy-efficient air-conditioning and certified water fittings
- Use of sun shade and tinted glazing with high shading coefficient to minimise energy usage
- Minimise west-facing façades and the number of windows facing the afternoon sun and channel wind to the inner spaces to minimise the use of energy
- Installation of timer controlled LED light fittings with alternate circuits are designed to regulate electricity consumption at common areas during different times of the day in our PBWA and PBSA assets
- Worker dormitories are parted by walls with an opening at the top to allow cross ventilation
- Use paint with low volatile organic compounds for internal spaces and enamel paint for common walkways to minimise maintenance cleaning

We make sure the daily operations of accommodations are environmentally-friendly through the use of various energy efficient mechanical and electrical systems to help manage operational cost. We create naturally ventilated circulation spaces within confined spaces, such as covered car parks, common corridors and within accommodation units. We are keen to explore solar panels in the future.

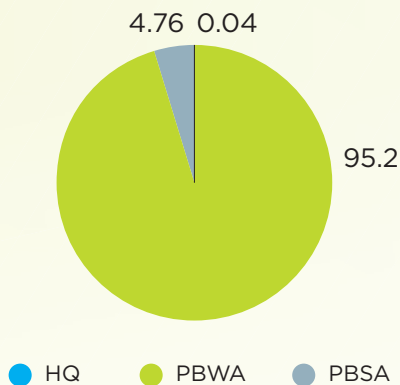
Sustainability Report

WATER

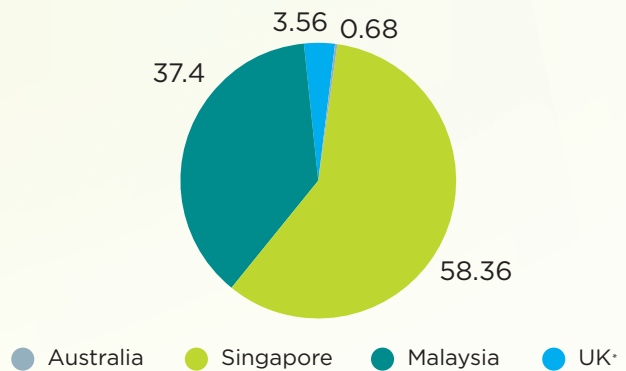
As water conservation tax and overall water bills have been adjusted upwards, it is important for the Group to manage our water price increase in Singapore and other locations where PBWA and PBSA businesses reside. In Singapore, the water usage for our PBWA business is significant followed by Malaysia. We closely monitor water bills as an end consumer and its impact on our bottom line.

The Group currently does not draw water from any sources other than metered supplies or public utilities in the countries where we operate. In FY2017, we incurred water consumption (including those consumed by our residents) of 2,835,541 m³. Similar to the electricity usage, the total water consumption usage was based on the data where the Group was able to monitor and/or pay for the amount consumed. In some PBWA and PBSA assets, our residents are responsible for their own utilities bill and such consumption data are not available. As such these are excluded from the calculation above. For FY2017, we consumed an average of 54 m³ water per person (employees and residents).

**Percentage (%) of Water Usage (m³) in FY2017
(by business lines)**



**Percentage (%) of Water Usage (m³) in FY2017
(by countries)**



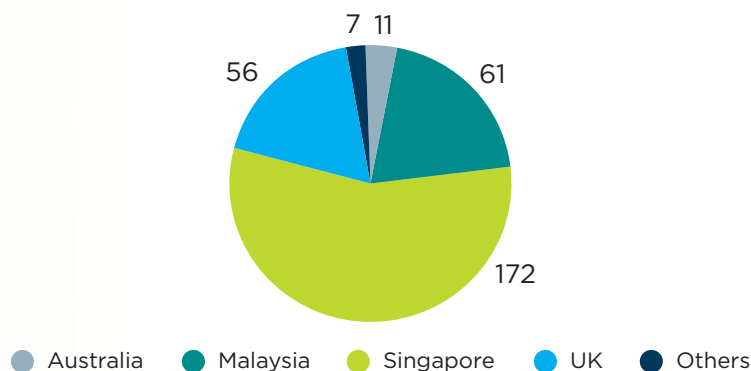
* In UK, some of our properties are unmetered and the water consumption amount is an estimated figure.

We intend to continue to maintain the current level of efficiency in our water consumption and we will sustain our current initiatives to conserve water through ongoing awareness and education of our employees and residents. We strive to obtain Water Efficient Building ("WEB") certification through installation of water efficient fittings and adopting water efficiency flow rates/flush volumes. We will also obtain NEA Water Conservation Certificate for all our dormitories in Singapore or equivalent certification from the relevant agencies for our overseas assets.

DIVERSITY AND EQUALITY

Our employees are critical to the Group and is an important stakeholder group. In FY2017, the Group has a total employee strength of 325, comprises of 307 full-time employees and 18 part-timers.

**Number of Full-Time Employees
(by countries)**



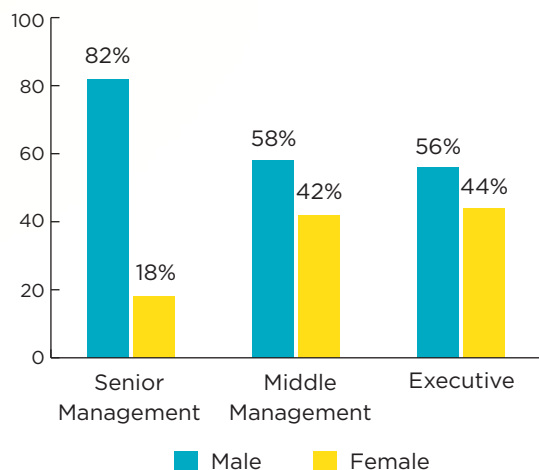
Diversity of culture, race, gender, opinions or competency of our employees is also highly valued at Centurion. We reward our employees based on merits, capability, experience and qualification. This is reflected in our Human Resource Policy which adheres to the recommended Principles of Fair Employment Practices set out in the Tripartite Guidelines on Fair Employment Practices:

- their merit regardless of age, race, gender, religion, marital status and family responsibilities, or disability
- fairness and respect
- adopting progressive human resource management systems
- provide equal opportunity for training and development programmes based on skills and needs
- reward based on each individual's performance, contribution and experience
- compliance with labour laws and adoption of the Tripartite Guidelines on Fair Employment Practices

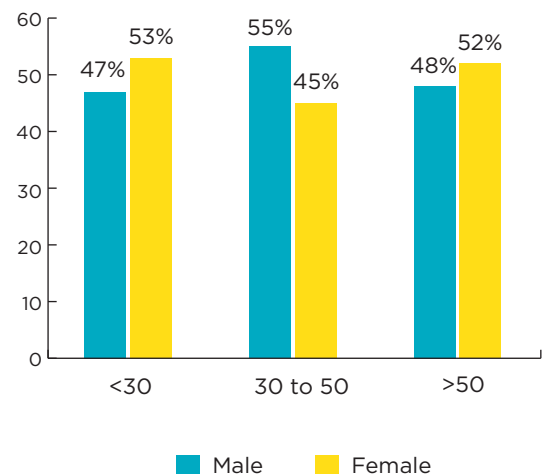
Nearly all our full-time senior management hired in the Group's operational countries are locals except for some country heads, who were seconded from Singapore. The Group believes that by having senior local employees, we would be able to capitalise on their local knowledge to conduct business and adhere to local customs. We have also put in place succession planning for our senior management positions to reduce disruption in case of exigencies.

The following charts illustrate our employees' profiles, gender and the mix of our employment category.

Full-Time Employees - Gender and Rank (%)



Full-Time Employees - Gender and Age (%)



Sustainability Report

TRAINING AND EDUCATION

We strive to improve our employees' productivity and level of competency through continuous training and education opportunities. In addition, all full time staff in the Group received their regular performance review through an annual performance appraisal exercise where their training needs will be determined. The Group has established training & development budget and programme for our employees. The courses and training for our employees range from in-house to external events, seminars, workshops or on-site programmes, to improve their awareness, capability and productivity on current topics and new skill sets. In addition, the Group provides assistance to our employees in form of paid time off, funding support and reimbursement of their transportation expenses. In FY2017, an average of 20 training hours were undertaken by each employee.

HEALTH AND SAFETY

Maintaining a high level of health and safety standards for our employees and residents are paramount to the Group. We have set up a designated committee to conduct a comprehensive review on our existing policies and to develop a holistic health and safety manual policy for Group-wide adoption. The Group has nominated Mr. Kelvin Teo, our COO as chairperson of the designated committee. Each site would nominate one staff to be a work and safety representative and report to the designated committee for any work and safety related issues or lapses.

As at the date of this report, there was no significant incident of non-compliance with regulations and/or voluntary codes concerning the health and safety aspect or impacts in the locations where we managed our businesses.

There are no reportable injuries, occupational diseases, lost days, or work-related fatalities for our employees, workers or residents in the locations where we managed our businesses. Our absentee rate is also insignificant.

SOCIOECONOMIC COMPLIANCE

The Group recognises that socioeconomic compliance is an essential requirement by all our stakeholders and our business operations in Singapore and overseas. Compliance with legislation and standards including corporate governance, environmental, safety, product, and social responsibility are important issues of interest to our stakeholders. The Group is committed to ensure legal compliance in all areas of our business and uphold high standards of ethical business conduct. As an additional disclosure, the Group has liaised with the Ministry of Manpower and other government agencies on pertinent manpower legislations to prepare for the implementation of licensing on PBWA operators starting from January 2017.

For FY2017, the Group was not notified of any significant fines nor any non-compliance with existing labour laws and/or regulations in the social and economic area in the countries where we operate.



Community Day at RMIT Village



Westlite Inter-Dormitory Cricket Competition

GRI STANDARDS CONTENT INDEX		
GRI Standards	Disclosures	Page Number(s) and/or URL or Reason for Omission
1. Organisational profile		
102-1	Name of the organisation	Centurion Corporation Limited
102-2	Activities, brands, products, and services	Page 1
102-3	Location of headquarters	Singapore
102-4	Location of operations	Australia, Singapore, Malaysia, UK, USA and Indonesia
102-5	Ownership and legal form	Public Listed Company (Limited by Share Capital)
102-6	Markets served	Australia, Singapore, Malaysia, UK, USA and Indonesia
102-7	Scale of the organisation	AR, Business Portfolio (Pages 19 to 29) AR, Financial Review (Pages 30 to 33) AR, Twenty Largest Shareholders (Page 200) SR, Page 63
102-8	Information on employees and other workers	AR, Board of directors and senior management (Pages 10 to 16) SR, Page 48 SR, Page 63
102-9	Supply chain	Not applicable. During the reporting period, the Company assessed supply chain management as non-material in respect to the operations. We will review this annually and may disclose this information in future if assessed to be material.
102-10	Significant changes to the organisation and its supply chain	Not applicable. During the reporting period, the Company assessed supply chain management as non-material in respect to the operations. We will review this annually and may disclose this information in future if assessed to be material.
102-11	Precautionary Principle or approach	AR, Pages 32 to 33
102-12	External initiatives	SR, Pages 52 to 59
102-13	Membership of associations	Not applicable.
2. Strategy		
102-14	Statement from senior decision-maker	AR, Letter to Shareholders (Pages 4 to 7)
102-15	Key impacts, risks, and opportunities	AR, Financial Review, Pages 30 to 33
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	AR, Our Core Value (Page 2)
102-17	Mechanisms for advice and concerns about ethics	AR, Whistle Blowing Policy, (Page 47) AR, Corporate Governance Report (Page 86)

Sustainability Report

GRI STANDARDS CONTENT INDEX		
GRI Standards	Disclosures	Page Number(s) and/or URL or Reason for Omission
4. Governance		
102-18	Governance structure	AR, Corporate Governance Report (Page 75)
102-19	Delegating authority	SR, Page 47
102-20	Executive-level responsibility for economic, environmental, and social topics	SR, Page 47
102-21	Consulting stakeholders on economic, environmental, and social topics	SR, Pages 48 to 49
102-22	Composition of the highest governance body and its committees	AR, Board of Directors (Pages 10 to 11) AR, Corporate Governance Report (Page 75 and 79)
102-23	Chair of the highest governance body	AR, Pages 76 to 77
102-24	Nominating and selecting the highest governance body	AR, Corporate Governance Report (Page 79)
102-25	Conflicts of interest	AR, Pages 10 to 11 AR, Corporate Governance Report - "Interested Person Transactions" (Pages 90 to 91) AR, Substantial Shareholders (Page 200) AR, Twenty Largest Shareholders (Page 200) AR, Financial Statement "Related Party Transactions" (Page 195)
102-26	Role of highest governance body in setting purpose, values, and strategy	AR, Corporate Governance Report (Page 73)
102-27	Collective knowledge of highest governance body	SR, Pages 49 to 51
102-28	Evaluating the highest governance body's performance	Not applicable. This is the first year of reporting.
102-29	Identifying and managing economic, environmental, and social impacts	SR, Pages 49 to 51
102-30	Effectiveness of risk management processes	Not applicable. This is the first year of reporting.
102-31	Review of economic, environmental, and social topics	Not applicable. This is the first year of reporting.
102-32	Highest governance body's role in sustainability reporting	SR, Page 47
5. Stakeholder engagement		
102-40	List of stakeholder groups	SR, Page 48
102-41	Collective bargaining agreements	Not applicable. No employee was covered under any collective bargaining agreement.
102-42	Identifying and selecting stakeholders	SR, Page 48
102-43	Approach to stakeholder engagement	SR, Page 48
102-44	Key topics and concerns raised	SR, Page 48
102-45	Entities included in the consolidated financial statements	AR, Financial statements (Pages 144 to 160)
102-46	Defining report content and topic Boundaries	SR, Pages 48 to 50
102-47	List of material topics	SR, Page 50

GRI STANDARDS CONTENT INDEX		
GRI Standards	Disclosures	Page Number(s) and/or URL or Reason for Omission
5. Stakeholder engagement (continued)		
102-48	Restatements of information	Not applicable. This is the first year of reporting.
102-49	Changes in reporting	Not applicable.
102-50	Reporting period	1 January 2017 to 31 December 2017
102-51	Date of most recent report	FY2017
102-52	Disclosure Reporting cycle	Annual
102-53	Contact point for questions regarding the report	AR, Investor Relations (Page 42)
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	SR, Pages 65 to 68
102-56	External assurance	Not applicable. This is the first year of reporting.
Economic		
Economic Presence		
201-1	Direct economic value generated and distributed	SR, Page 52
Market Presence		
202-2	Proportion of senior management hired from local community	SR, Page 63
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	SR, Pages 52 to 59
Anti-Corruption		
205-2	Communication and training on anti-corruption policies and procedures	SR, Page 48
205-3	Incidents and action taken	SR, Page 48
Environment Energy		
302-3	Energy intensity	SR, Pages 60 to 61
302-4	Reduction of energy consumption	SR, Page 61
Water		
303-1	Total water consumption	SR, Page 62
303-3	Water recycled and reused	SR, Page 62
Emissions		
305-2	Energy indirect (Scope 2) GHG emissions	SR, Page 61
Social Occupational/Health and Safety		
403-1	Staff represented in OHS committee	SR, Page 64
403-2	Occupational injury	SR, Page 64

Sustainability Report

GRI STANDARDS CONTENT INDEX		
GRI Standards	Disclosures	Page Number(s) and/or URL or Reason for Omission
Training/Education		
404-1	Average hours of training	SR, Page 64
404-2	Employee skills upgrade and transition assistance programmes	SR, Page 64
404-3	Performance and career development reviews	SR, Page 64
Diversity and Equal Opportunities		
405-1	Diversity	SR, Page 63
Public Policy		
415-1	Political contributions	SR, Page 48
Customer Health and Safety		
416-1	Health and safety impacts assessment of products and services	SR, Page 64
416-2	Incidents of non-compliance	SR, Page 64
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	SR, Page 64

ESG ASPECTS CONTENT INDEX - FOR SEHK'S USE

Aspect	Disclosure	Page Number
Subject Area A. Environment		
A1. Emission		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pages 60 to 62 Energy During the reporting period, there were no material non-compliance with relevant environmental laws and regulations.
KPI A1.1	The types of emissions and respective emissions data.	Pages 60 to 61 Energy
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 61 Energy
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	The Company does not produce any hazardous waste in its operations.

Aspect	Disclosure	Page Number
Subject Area A. Environment		
A1. Emission (continued)		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	During the reporting period, the Company assessed hazardous waste impact as limited and non-material in respect to the operations. We will review this annually and may disclose this information in future if assessed to be material.
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Page 61 Energy
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	During the reporting period, the Company assessed hazardous waste impact as limited and non-material in respect to the operations. We will review this annually and may disclose this information in future if assessed to be material.
A2. Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Pages 60 to 62 Energy Water
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Pages 60 to 62 Energy Water
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Pages 60 to 62 Water
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Page 61 Energy Page 62 Water This is the first year of reporting. No established sets of results were evaluated.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	The Company does not have any issue in sourcing water that is fit for purpose
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3. Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Page 61 Energy Page 62 Water
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 61 Energy Page 62 Water

Sustainability Report

Aspect	Disclosure	Page Number
Subject Area B. Social		
B1. Employment		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<p>Page 63 Diversity and Equality</p> <p>During the reporting period, there were no material non-compliance with relevant laws and regulations relating to employment practices</p>
KPI B1.1 (Optional)	Total workforce by gender, employment type, age group and geographical region.	Page 63 Diversity and Equality
B2. Health and Safety		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<p>Page 64 Health and Safety</p> <p>During the reporting period, there were no material non-compliance with relevant laws and regulations relating to workplace health & safety.</p>
KPI B2.1 (Optional)	Number and rate of work-related fatalities.	Page 64 Health and Safety
KPI B2.2 (Optional)	Lost days due to work injury.	Page 64 Health and Safety
KPI B2.3 (Optional)	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Page 64 Health and Safety
B3. Training and Development		
General Disclosure	<p>Policies on improving employees' knowledge and skills for discharging duties at work.</p> <p>Description of training activities.</p>	Page 64 Training and Education

Aspect	Disclosure	Page Number
Subject Area B. Social		
B4. Labour Practices		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	<p>The Company is not aware of any non-compliance with relevant laws and regulations on preventing child or forced labour during the reporting period</p> <p>Assessment have been carried out to ensure no child and forced labour at our contractors/suppliers.</p> <p>No such incidents were reported during the reporting period.</p>
B5. Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	<p>Page 64</p> <p>Socioeconomic Compliance</p>
B6. Product Responsibility		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>Page 64</p> <p>Socioeconomic Compliance</p> <p>The Company is not aware of any significant complaints related to product and services during the reporting period. We consider issues that are significant to be those related to material non-compliance with relevant standards, rules and regulations on health and safety, mis-advertising and labelling, and intellectual property rights etc. Upon any complaints received, formal investigations are launched and follow-up actions are taken in timely manner.</p>
B7. Anti-Corruption		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	<p>Page 48</p> <p>Anti-Bribery and Corruption</p> <p>During the reporting period, the Company is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Company.</p>
KPI B7.1 (Optional)	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Zero cases
KPI B7.2 (Optional)	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	<p>Page 48</p> <p>Anti-Bribery and Corruption</p>

Sustainability Report

Aspect	Disclosure	Page Number
Subject Area B. Social		
B8. Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Pages 52 to 59 Community
KPI B8.1 (Optional)	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Pages 52 to 59 Community
KPI B8.2 (Optional)	Resources contributed (e.g. money or time) to the focus area.	Pages 52 to 59 Community

Corporate Governance

Centurion Corporation Limited (the “Company” and together with its subsidiaries and associated companies, the “Group”) is committed to good standards of corporate governance and business conduct in order to enhance the interest of shareholders and has adopted the principles and practices of corporate governance in line with the recommendations of the Code of Corporate Governance 2012 (the “2012 Code”).

The Company’s ordinary shares have been listed (the “Dual Primary Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”) since 12 December 2017 (the “Listing Date”). From the Listing Date, the Company is required to also abide by, *inter alia*, the provisions of the Corporate Governance Code (the “HK CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on SEHK (the “HK Listing Rules”) which are applicable to the Company. The Board and Management have taken steps to align the governance framework with the HK CG Code. In the event of any conflicts between the 2012 Code and the HK CG Code, the Group will comply with the more stringent requirements. From the Listing Date to the date of this report, the Company has complied with the 2012 Code and HK CG Code, except those appropriately justified and disclosed.

BOARD MATTERS

The Board’s Conduct of Affairs – Principle 1

The Board supervises the overall management and business affairs of the Group and monitors the performance of Management. The Board provides entrepreneurial leadership, sets strategic direction for the Company and reviews the operational and financial performance of the Group to enable the Group to meet its objectives. The Board has adopted a formal document setting out specific matters which are reserved for the Board’s approval. These include approval of the Group’s strategic business plans, annual budgets, major investments and financing decisions and appointment of Directors and key management personnel including review of their performance and remuneration packages.

The Board also considers sustainability issues including environmental and social factors and has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems, internal control to safeguard shareholders’ interest and the Group’s assets. Management has also been given clear directions on matters that require Board’s approval.

The Board works with Management to make objective decisions in the interest of the Group and all Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. To assist in discharging its duties, the Board has delegated specific responsibilities to 3 Board Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Board Meetings

The Board conducts regular scheduled meetings at least 4 times a year and meets as and when warranted by particular circumstances between these scheduled meetings. The Company’s Constitution provides for Board meetings to be held via telephone conference, video conferencing or other similar means of communications. When a physical meeting is not possible, timely communication with the Directors can be achieved through electronic means and the circulation of written resolutions for approval by the relevant members of the Board and Board Committees.

Corporate Governance

Directors' Attendance

Details of Directors' attendance at Board and Board Committee meetings held in the financial year ended 31 December 2017 ("FY2017") are summarized in the table below:

Name	Board of Directors		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Wong Kok Hoe	7	7	-	-	-	-	1	1
Chandra Mohan s/o Rethnam	7	5	4	3	1	1	1	1
Gn Hiang Meng	7	7	4	4	1	1	1	1
Loh Kim Kang David	7	7	-	-	-	-	-	-
Han Seng Juan	7	6	-	-	-	-	-	-
Owi Kek Hean	7	7	4	4	1	1	-	-

Director Orientation and Training

The Company has in place orientation programmes for newly appointed Directors to ensure that they are familiar with the Group structure, and the Company's business and operations. Newly appointed Director, if any, will participate in an orientation programme which includes meeting with the Chairman and/or Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to obtain an understanding of the affairs of the Group's business. All Directors have been provided a formal letter of appointment setting out the key terms of their appointments, duties and obligations. Other than Owi Kek Hean ("Mr Owi") who was appointed an Independent Non-Executive Director of the Company on 1 January 2017, there were no other Directors appointed during the financial year under review.

To keep pace with new laws, regulations and changing commercial risks, Directors are encouraged to attend, at the Group's expenses, relevant trainings and seminars for their continuing education and skills improvement courses conducted by external organisations. These are informed to the Directors by Management. The Directors are provided regularly with updates on changes in the relevant laws and regulations, where appropriate, to enable them to make well-informed decisions and to discharge their duties responsibly.

News releases issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") and Accounting and Corporate Regulatory Authority, which are relevant to the Directors are circulated to the Board. Management and the Company Secretaries also keep the Directors informed of upcoming conferences and seminars such as those conducted by the Singapore Institute of Directors ("SID"). The external auditors regularly update the Audit Committee and the Board on new or revised financial reporting standards which are relevant and applicable to the Group.

During FY2017, Mr Owi attended training courses conducted by SID to familiarise himself with the roles and responsibilities as a Director of a listed company in Singapore and Mr Gn Hiang Meng attended SID Director's Conference conducted by SID.

Corporate Governance

During the year under review, the Directors have also been briefed and/or provided with updates, *inter alia*, on key changes to regulatory requirements, developments in financial reporting standards and sustainability reporting. In connection with the Dual Primary Listing, the Directors have also been briefed and attended trainings conducted by Hong Kong professionals on applicable HK Listing Rules and regulations as well as HK CG Code.

Pursuant to Code Provision A.6.5 of the HK Listing Rules, the Company will arrange for all the Directors to participate in continuous professional development trainings/briefings to develop and refresh their knowledge and skills.

Board Composition and Guidance – Principle 2

The Board comprises three (3) Non-Executive Directors and three (3) Independent Non-Executive Directors, as follows:

Wong Kok Hoe (Chairman)	-	Non-Executive Director
Loh Kim Kang David	-	Non-Executive Director
Han Seng Juan	-	Non-Executive Director
Gn Hiang Meng	-	Lead Independent Director
Chandra Mohan s/o Rethnam	-	Independent Non-Executive Director
Owi Kek Hean	-	Independent Non-Executive Director

Currently, the Company does not have any Executive Director. It deviates from paragraph A3 of the HK CG Code which provides that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The reason for deviation is that the Board of the Company was designed to be separated from the day-to-day management. The Company's day-to-day management is delegated to and led by its senior management team. The Board is responsible for formulating high-level strategy and management guidelines in order to ensure the proper and efficient administration and management of the Group. It is also responsible for monitoring the Company's general performance. The Company believes that it is more efficient and a fairly good corporate governance practice to segregate these functions as there will be no conflict or possible bias when the Board monitors the results and performance of the strategies which they have devised for Management's implementation.

Given the vast, knowledgeable and comprehensive team of senior management members, the Company believes that it will be able to provide the Independent Non-Executive Directors sufficient information so as to make informed decisions and the Board can thereby function effectively.

The Board, through its Nominating Committee, reviews, on an on-going basis, the structure, size and composition of the Board in order to evaluate the Board's effectiveness in carrying out its duties.

The Board, in concurrence with the Nominating Committee, is of the view that given the nature and scope of the Group's operations, the present Board size is appropriate for the Company and to provide for effective decision-making. Given the diverse qualifications, experience, background and profile of the Non-Executive and Independent Directors, the Board collectively possesses core competencies in areas such as accounting or finance, legal and regulatory matters, risk management, business or management experience and industry knowledge. As such, the Board is of the opinion that the current Board members as a group provides an appropriate balance and diversity of the relevant skills, experience and expertise for effective management of the Group.

Key information regarding the Directors, including their appointment dates, date of last re-appointment as a Director, relationships between the Directors (if any), current or past directorships or chairmanships held in the past 3 years in public companies the securities of which are listed on any securities market in Singapore, Hong Kong or overseas and other principal commitments, if any, are set out in the section entitled "Board of Directors" on pages 10 to 11 in this Annual Report. In addition, information on shareholdings held by each Director in the Company can be found on page 97 in this Annual Report.

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The Nominating Committee had reviewed the independence of each Director for FY2017 in accordance with the 2012 Code's definition of independence and circumstances/factors set forth under Rule 3.13 of the HK Listing Rules, and is satisfied that half of the Board comprises Independent Non-Executive Directors with at least one of whom possessing appropriate professional qualifications on accounting or related financial management expertise.

The Independent Non-Executive Directors are not related to and do not have any relationship with the Company, its related corporations, its 10% shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement in the best interests of the Company.

In respect of the Independent Non-Executive Directors, namely, Gn Hiang Meng ("Mr Gn") and Chandra Mohan s/o Rethnam ("Mr Chandra Mohan"), who have served on the Board of the Company more than 9 years from the date of their first appointments on 17 May 2007, the Nominating Committee had reviewed and confirmed that they continue to be independent after taking into consideration the following factors:

- (i) Both Mr Gn and Mr Chandra Mohan have provided very valuable contributions to the Board through their integrity, objectivity and professionalism notwithstanding the years of service.
- (ii) Both Mr Gn and Mr Chandra Mohan have expressed succinctly and objectively their views on issues and provided relevant and invaluable input.
- (iii) Both Mr Gn and Mr Chandra Mohan have demonstrated strong independence in character and judgement in the discharge of their Directors' duties.
- (iv) They have continued to provide overall guidance to Management and in protecting the Company's assets and upholding the interests of all shareholders, in particular, non-controlling shareholders.

Each of Mr Gn and Mr Chandra Mohan, being Nominating Committee members, had abstained from deliberation and voting in respect of the assessment on his own independence.

Accordingly, the Nominating Committee had recommended to the Board that both Gn Hiang Meng and Chandra Mohan s/o Rethnam to continue to be considered Independent Directors. After due consideration, the Board has resolved that Mr Gn and Mr Chandra Mohan continue to be considered Independent Directors.

The Non-Executive Directors constructively challenge Management and assist in the development of proposals on strategy. The Non-Executive Directors also review the performance of the CEO and Management.

The Non-Executive Directors meet regularly without the presence of Management.

As the Company does not have Executive Director, no meeting between the Chairman of the Board and the Independent Non-Executive Directors without the presence of Executive Directors as required by Code Provision A.2.7. of the HK CG Code has been held during the year under review.

Chairman and Chief Executive Officer – Principle 3

The roles of the Chairman and CEO are separate. Each of them performs separate functions to ensure that there is an appropriate balance of power and authority, and that accountability and independent decision making are not compromised.

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The Chairman, Wong Kok Hoe, who is a Non-Executive Director, amongst his other duties, sets the agendas for and chairs Board meetings and, in consultation with the Company Secretaries and the CEO, schedules Board meetings at appropriate intervals during the year. He is responsible for the exercise of control of the quality, quantity and timeliness flow of information between Management and the Board and the workings of the Board. He also promotes a culture of openness and debate at the Board, encourages constructive relations within the Board and between the Board and Management and ensures the integrity and effectiveness of the governance process of the Board. He takes a lead role in promoting high standards of corporate governance with the full support of the Directors, CEO, Management and Company Secretaries.

The CEO, Kong Chee Min (“Mr Kong”), assisted by the various functional directors and senior management, manages and is responsible for the Group’s day-to-day operations and business. The CEO also bears executive responsibility for the Group’s business and implements the Board’s decisions.

Mr Gn is the Lead Independent Director (“LID”) and he is available to shareholders should they have concerns for which contact through the Chairman, CEO or CFO is inappropriate. The Independent Directors have met without the presence of other Directors in FY2017, when necessary, and the LID has provided feedback to the Board Chairman after such meetings, as appropriate.

Board Membership – Principle 4

The Company believes that Board renewal should be an on-going process in order to ensure good corporate governance. The Nominating Committee reviews the structure, size, composition and diversity of the Board and Board Committees regularly and makes recommendation to the Board, if any adjustment is necessary. In line with good corporate practices, the management team is separate from the Board of Directors.

The Nominating Committee has in place a process for selection and appointment of new Directors. Where a vacancy arises, the Nominating Committee will identify potential candidates for appointments based on and after taking into consideration the candidates’ qualification, knowledge, skills and experience, as well as his/her ability to increase the effectiveness of the Board and to add value to the Group’s business. The Nominating Committee will then recommend their appointments to the Board for consideration.

The Board does not have any alternate directors.

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees, and their time commitment to the business affairs of the Company, the Nominating Committee is of the view that there is no need to set a maximum limit on the number of listed company board representations and other principal commitments of each Director. However, the Nominating Committee will continue to review from time to time, their board representations and other principal commitments to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Under Code Provision A.4.1 of the HK Listing Rules, Non-Executive Directors should be appointed for a specific term, subject to re-election. The Non-Executive Directors including Independent Non-Executive Directors of the Company are appointed for a fixed term of three (3) years commencing from the Listing Date, which may be terminated in accordance with its terms.

In accordance with Regulation 89 of the Company’s Constitution, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), as nearly as possible to one-third) shall retire from office by rotation at each Annual General Meeting (“AGM”). Provided that each Director shall be subject to retirement and rotation at least once in every three (3) years. In accordance with Regulation 88 of the Company’s Constitution, all Directors appointed by Directors as an additional Director or to fill a casual vacancy shall hold office only until the next AGM following their

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appointments. The Directors retiring from office are eligible for re-election at the AGM. The following Directors who will be due to retire at the forthcoming AGM have offered themselves for re-election at the AGM:-

- Director retiring by rotation under Regulation 89 of the Constitution:
 - (i) Han Seng Juan
- Director retiring by rotation under Regulation 89 of the Constitution and Code Provision A.4.3 of the HK Listing Rules:
 - (i) Gn Hiang Meng

Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of his or her re-nominating as a Director.

The Nominating Committee has recommended the re-appointment of Gn Hiang Meng and Han Seng Juan, who will be retiring at the forthcoming AGM, as Directors following a review of their performance and contributions at Board and/or Board Committee meetings (such as participation, attendance, preparedness and candour) and review of their independence, as appropriate.

The Board has accepted the Nominating Committee's recommendation and accordingly, the above-named Directors will be offering themselves for re-election. The relevant information on each of the above-named Director is presented in the section entitled "Board of Directors" on pages 10 to 11 of the Annual Report.

The Nominating Committee has ascertained that for the period under review, the Non-Executive Directors and Independent Directors have given sufficient time and attention to the business affairs of the Group.

Company Secretaries

The Company Secretaries are Hazel Chia Luang Chew ("Ms Chia"), Juliana Tan Beng Hwee ("Ms Tan") and Wong Tak Yee ("Ms Wong"). Both Ms Chia and Ms Tan are practising chartered secretaries to engage in public practice in Singapore certified by the Chartered Secretaries Institute of Singapore (formerly known as the Singapore Association of the Institute of Chartered Secretaries and Administrators).

In connection with the Company's Dual Primary Listing and to meet the requirements under Rule 3.28 of the HK Listing Rules, the Company has appointed Ms Wong, a member of The Hong Kong Institute of Chartered Secretaries, as the Company's Hong Kong Company Secretary to act jointly and to work closely with Ms Chia and Ms Tan in discharge of their duties as Company Secretaries for an initial period of 3 years commencing from the Listing Date. Prior to the expiry of the said 3-year period, a further evaluation of the qualifications and experience of Ms Chia and Ms Tan and the need for on-going assistance from Ms Wong would be made. Ms Wong's primary contact person at the Company is Mr Kong, CEO of the Company.

Key information regarding the Company Secretaries, including their date of appointment, academic and/or professional qualifications and relevant work experience, are set out in the section entitled "Company Secretary" on page 16 in this Annual Report.

During FY2017, Ms Chia and Ms Tan have been briefed and attended trainings conducted by Hong Kong professionals on applicable HK Listing Rules and regulations as well as HK CG Code; and Ms Wong has undertaken not less than 15 hours of the relevant professional training in compliance with Rule 3.29 of the HK Listing Rules.

Corporate Governance

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to 3 Board Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee. Each Board Committee has its own written terms of reference. In connection with the Dual Primary Listing, terms of reference of the 3 Board Committees have been amended during the financial year under review, to be in line with HK Listing Rules and regulations which are applicable to the Company.

Nominating Committee

As at the date of this report, the Nominating Committee (“NC”), regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors, as follows:

Owi Kek Hean (Chairman)	- Independent Non-Executive Director
Gn Hiang Meng	- Independent Non-Executive Director
Chandra Mohan s/o Rethnam	- Independent Non-Executive Director

The Chairman of the NC is Mr Owi, an Independent Non-Executive Director who is not associated with any substantial shareholder. Mr Gn, the LID, is a member of the NC.

The NC reviews and ensures that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group’s operational and business requirements.

In assessing the Board composition, the NC would take into account various aspects as well as factors concerning Board diversity as set out in the Company’s Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, etc. All Board appointments will be based on meritocracy, and the NC would consider candidates against objective criteria, having due regard for the benefits of diversity on the Board.

The NC is responsible for making recommendations to the Board on all appointments and re-appointments of Directors. The NC meets at least once annually and as and when deemed necessary.

The key duties and responsibilities of the NC are summarised below:

- assesses the effectiveness of the Board as a whole;
- reviews and nominates newly appointed Directors and Directors retiring by rotation, having regard to their contributions and performance, for re-election at each AGM;
- reviews and recommends all new appointments to the Board;
- reviews and recommends all appointments of senior management staff (who are not for appointment to the Board);
- determines on an annual basis the independence of each Director;
- decides whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple Board representations;
- identifies gaps in the mix of skills, experience and other qualities required in an effective Board so as to better nominate or recommend suitable candidates to fill the gaps;
- reviews Board succession plans for Directors, in particular, the Chairman and CEO; and
- reviews training and professional development programme for the Board.

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During the year, the NC met once to review the structure, size, composition and diversity of the Board and the independence of the Independent Non-Executive Directors and to consider the qualifications of the retiring Directors standing for election at the AGM.

Board Performance – Principle 5

The NC has adopted a formal process of evaluating the performance of the Board as a whole. This process involves the completion of a questionnaire by Board members. A summary of findings is prepared based on the completed questionnaires and is reviewed and deliberated by the NC. The Chairman of the NC confers with the Chairman of the Board on the findings and appropriate follow-up actions are taken as necessary.

A Board performance evaluation was carried out to assess and evaluate, amongst other things, the Board's composition, size and expertise, timeliness of Board information, accountability and processes. No external facilitator had been engaged by the Board for this purpose.

Similar performance evaluations had also been conducted for the respective Board Committees, namely, Audit Committee, NC and Remuneration Committee.

Access to Information – Principle 6

The Directors have separate and unrestricted access to Management and Company Secretaries at all times in carrying out their duties.

To enable the Board to fulfil its responsibilities, Management is required to provide the Directors with sufficient information including information on financial performance of the Group on a quarterly basis. The CEO also updates the Board on a quarterly basis highlighting the activities, performance, business conditions and outlook of the Group. Management's proposals to the Board and Board Committees for decisions provide background and explanatory information which includes but not limited to monthly management accounts and analysis, information on budgets, forecasts and cash flow projections. Directors are entitled to request from the CEO or Management and be provided with such additional information as needed to make informed and timely decisions.

Under the direction of the Non-Executive Chairman and CEO, the Company Secretary(ies) ensure(s) good information flows within the Board and its committees and between Management, Non-Executive Directors and Independent Directors. An agenda for each meeting of the Board and Board Committees together with the relevant papers which are prepared in consultation with the respective Chairmen are usually circulated before the holding of each Board and Board Committee meeting. This allows control over the quality, quantity and timeliness of the flow of information between Management and the Board.

The Company Secretary(ies) also attend(s) Board and Board Committee meetings, where appropriate, and provides advice, secretarial support and assistance to the Board and ensures adherence to the Board procedures and relevant rules and regulations applicable to the Company. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary(ies) is subject to the approval of the Board.

The Directors may seek independent professional advice to fulfil their duties and such cost will be borne by the Company.

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Remuneration Committee

The Remuneration Committee ("RC"), regulated by a set of written terms of reference, comprises three (3) members, a majority of whom are Independent Non-Executive Directors, as follows:

Chandra Mohan s/o Rethnam (Chairman)	- Independent Non-Executive Director
Gn Hiang Meng	- Independent Non-Executive Director
Wong Kok Hoe	- Non-Executive Director

The members of the RC have many years of corporate experience and are knowledgeable in the field of executive compensation. The RC also has access to external professional advice on remuneration and human resource related matters, if required.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies – Principle 7

The RC meets at least once annually, and as and when deemed necessary, to carry out its functions. The key duties and responsibilities of the RC are summarised below:

- reviews and recommends to the Board a framework of remuneration as well as determines the remuneration package and terms of employment for each Director, the CEO, key management personnel and employees who are immediate family members of a Director or controlling shareholder of the Group; and
- reviews the remuneration policies and packages for key management personnel on an annual basis.

The RC's review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits-in-kind.

The RC has access to the Company's internal human resource department to assist in its review. The RC from time to time seek advice from external remuneration consultants, who are unrelated to the Directors and any organisation they are associated with, as well as confidentially from selected senior management, including the Head of Human Resources, at its discretion. During FY2017, the Company had engaged Korn Ferry Hay Group Pte Ltd, an external human resource ("HR") consultant, to carry out a remuneration review of the Directors, CEO and key management personnel of the Company. The RC and Board confirmed that the Company has no existing relationships with the external HR consultant that would affect their independence and objectivity.

The RC's recommendations are submitted for endorsement by the entire Board. Annual reviews of the compensation of Directors are also carried out by the RC to ensure that the remuneration of the Directors and key management personnel commensurate with their performance and value-add to the Group, giving due regard to the financial and commercial health and business needs of the Group.

During the year, the RC held one meeting to review the remuneration packages of the CEO and key management personnel and to discuss remuneration related matters and recommended to the Board the proposed quantum of Directors' fees for Non-Executive Directors, including Independent Directors.

Level and Mix of Remuneration – Principle 8

The remuneration for the CEO and key management personnel comprises a fixed basic salary plus other variable component in the form of annual performance bonus tied to individual performance as well as the Company's performance.

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Directors' fees payable to all the Non-Executive Directors, including Independent Directors, are set in accordance with a remuneration framework comprising a basic fee and incremental fixed fee for the level of responsibilities such as chairing Board Committee and attendance at Board and Board Committee meetings and taking into consideration their contribution, time and effort spent. The Non-Executive Directors are not overly compensated to the extent that their independence may be compromised.

The Board will table the Directors' fees in respect of FY2017 for shareholders' approval at the forthcoming AGM.

The existing service contracts for the CEO and key management personnel are for a period of three (3) years and thereafter will be automatically renewed annually. The service contract provides for termination by each party, upon giving not less than three (3) months' notice in writing. New service contracts or renewals, if any, will be subject to RC's review to ensure that the terms are fair and for a reasonable period. The contracts of the CEO and key management personnel include the "claw back" clauses to safeguard the Group's interests in the event of exceptional circumstances of misstatement of financial statements, misconduct resulting in financial loss or fraud by the CEO and key management personnel.

The Company does not have any long-term incentive schemes in place.

Disclosure on Remuneration – Principle 9

Given the confidentiality and commercial sensitivity attached to remuneration matters, the Board is of the view that detailed disclosure of remuneration of the Directors, CEO and top key management personnel as recommended by the 2012 Code would not be in the interest of the Company. The remuneration of Directors, CEO and top key management personnel are, however, disclosed in the bands of S\$250,000 with a breakdown showing the level and mix of remuneration in percentage terms.

Directors' and CEO's Remuneration

The aggregate remuneration paid to the Directors and CEO (who is not Director) was S\$1,367,000.

Breakdown (in percentage terms) of the remuneration paid to the Directors and CEO (who is not Director) for FY2017 is set out below:

Name	Director's fees (%)	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
CEO (who is not Director)					
S\$750,000 to below S\$1,000,000					
Kong Chee Min	N.A	39	58	3	100
Directors					
Below S\$250,000					
Chandra Mohan s/o Rethnam	100	0	0	0	100
Gn Hiang Meng	100	0	0	0	100
Han Seng Juan	100	0	0	0	100
Loh Kim Kang David	100	0	0	0	100
Owi Kek Hean	100	0	0	0	100
Wong Kok Hoe	100	0	0	0	100

Remuneration of Key Management Personnel

The aggregate remuneration paid to the 9 key management personnel (who are not Directors or the CEO) was S\$3,463,000.

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Breakdown (in percentage terms) of the remuneration paid to each of the 9 key management personnel (who are not Directors or the CEO) for FY2017 is set out below:

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S\$750,000 to below S\$1,000,000				
Teo Peng Kwang Kelvin	36	61	3	100
S\$500,000 to below S\$750,000				
Ho Lip Chin	54	43	3	100
S\$250,000 to below S\$500,000				
Foo Ai Huey	64	32	4	100
Leong Siew Fatt	62	31	7	100
Tony Bin Hee Din	37	60	3	100
Below S\$250,000				
Lee Geok Ing Janice	73	25	2	100
Lee Kerk Chong	86	4	10	100
Lim Choon Kwang	84	14	2	100
Yeo Boon Hing David	93	0	7	100

Save for Tony Bin Hee Din (Executive Director, Accommodation Business), who is the brother-in-law of Loh Kim Kang David (Non-Executive Director), there was no employee of the Group who was an immediate family member of a Director or the CEO and whose annual remuneration exceeded S\$50,000 during the year under review. Remuneration of immediate family members of Director is subject to the RC's annual review. Due to competitive and confidential reasons, the Board has decided not to disclose his remuneration in incremental bands of S\$50,000 but in incremental bands of S\$250,000.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO and the top key management personnel (who are not Directors or the CEO).

ACCOUNTABILITY AND AUDIT

Accountability – Principle 10

The Board is accountable to the shareholders, while Management is accountable to the Board.

Directors are provided with adequate and timely information on a regular basis and board papers and related materials or explanatory information prior to each Board and Board Committee meeting to allow Directors sufficient time to review and consider the agenda items and to facilitate productive discussions during the meetings. The Directors also have separate and independent access to the Company's senior management.

The Board provides shareholders with a balanced and understandable explanation and analysis of the Company's financial performance, position and prospects on a quarterly basis in the Group's quarterly and full-year financial results announcements.

Corporate Governance

Risk Management and Internal Controls – Principle 11

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risk is managed in the Group's businesses. The Board has ultimate responsibility to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and tolerance and have an oversight role in the design, implementation and monitoring of the risk management and internal controls system. The Board acknowledges that it is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has approved a Group Enterprise Risk Management Framework for the identification of key risk within the Group's businesses, which has adopted and aligned with the Committee of Sponsoring Organisations of the Treadway Commission Internal Controls Integrated Framework. The Enterprise Risk Management Framework sets out a systematic and ongoing process to identify and assess risk and defines how risk information (including risk mitigation action plans) is collected, monitored and reported to Management, Audit Committee ("AC") and Board on a regular and timely basis.

The Board has delegated the AC to assist in its oversight of the risk management framework, policies and processes. The AC's principal functions and responsibilities on risk management, include the following:

- reviews and recommends risk management strategies and policies, and risk tolerance for the Board's approval;
- reviews and assesses the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks, as well as the extent to which these policies and framework are operating effectively;
- ensures that adequate infrastructure, resources and systems are in place for an effective risk management, i.e. ensuring that staff responsible for implementing risk management systems performs those duties independent of the Group's risk taking activities; and
- provides risk oversight and reviews risk profiles of the Group.

With a view to identifying, handling and disseminating inside information, procedures have been implemented by the Group to ensure that unauthorized access and use of inside information are strictly prohibited.

For FY2017, the AC had reviewed the adequacy and effectiveness of the Group's risk management framework and systems and conducted dialogue sessions with Management to understand the process to identify, assess, manage and monitor key identified risks within the Group.

The Board, as supported by the AC as well as the management team, reviewed the risk management and internal control systems, including the financial, operational, compliance and information technology controls for FY2017. Based on the above and the review of risk which the Group is exposed to as well as the understanding of what countermeasures and internal controls are in place to manage them, the AC and the Board concluded that the Group's risk management framework and internal control systems including financial, operational, compliance and information technology controls were adequate and effectively managed.

For FY2017, the Board has obtained a written confirmation from the CEO and CFO:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are adequate and effective.

Corporate Governance

The Group's external auditors have, in the course of their statutory audit, carried out a review of the Group's material internal control relevant to financial reporting 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 internal control. Material non-compliance and internal control weaknesses noted during their audit and the auditors' recommendations are reported to the AC to ensure appropriate follow-up actions are taken/to be taken by Management.

The Group's internal auditor has conducted independent reviews of the effectiveness of the Group's material internal controls, including financial, operational, compliance, information technology and risk management, at least once a year.

The AC reviews the external and internal auditors' reports and ensures that there are adequate and effective internal controls in the Group.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and internal controls addressing financial, operational, compliance and information technology risks were adequate and effective for FY2017.

Audit Committee – Principle 12

The AC, regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors, as follows:

Gn Hiang Meng (Chairman)	- Independent Non-Executive Director
Chandra Mohan s/o Rethnam	- Independent Non-Executive Director
Owi Kek Hean	- Independent Non-Executive Director

None of the members nor the Chairman of the AC are former partners or Directors of the Group's auditing firm.

The Board is of the view that the AC members have adequate accounting or related financial management expertise and experience to discharge the AC's functions.

During the year under review, the AC members have attended meetings and discussions, organised by Management, with the external auditors, Company Secretary(ies) and external consultants on financial standards updates, changes in corporate governance and risk management requirements. The AC members also individually attended external seminars on financial, corporate governance and regulatory related topics to keep themselves abreast of the latest changes or developments, where appropriate.

The AC meets at least four (4) times a year, and as and when deemed necessary, to carry out its functions.

The AC's primary function is to provide assistance to the Board in fulfilling its responsibility relating to corporate accounting and auditing, the Company's financial reporting practices, the quality and integrity of the Company's financial reports and the Company's internal control systems including financial, operational, compliance and information technology controls, and risk management policies established by Management and the Board.

Corporate Governance

The AC also performs the following key functions:

- reviews the audit scope, approach and results of the external auditors;
- evaluates the overall effectiveness of both the internal and external audits through regular meetings with the internal and external auditors;
- reviews the adequacy of the internal audit function;
- determines that no restrictions are being placed by Management upon the work of the internal and external auditors;
- evaluates the adequacy of the internal control systems of the Group by reviewing written reports from the internal and external auditors, and Management's responses and actions to address any deficiencies noted;
- evaluates the adherence to the Group's administrative, operating and internal accounting controls;
- reviews the quarterly and full-year financial statements of the Company and the Group before submission to the Board for approval;
- reviews interested person transactions in accordance with the requirements of the Listing Rules of the SGX-ST and all potential conflicts of interests;
- reviews transactions by the Company, principally acquisitions and realizations, in accordance with the requirements of the Listing Rules of SGX-ST;
- ensures proper measures to mitigate any conflicts of interests have been put in place;
- reviews and approves all hedging policies and types of hedging instruments to be implemented by the Group, if any;
- reviews all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors;
- reviews and recommends the appointment or re-appointment of the external auditors; and
- considers other matters as requested by the Board.

The AC has full access to Management and full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions properly. The AC also has the authority to investigate any matter within its terms of reference.

The external auditors provides regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

Annually, the AC meets with the internal and external auditors without the presence of Management. This is to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, the independence and objectivity of the external auditors and the observations of the internal and external auditors.

The Company has adopted a whistle-blowing programme ("Policy") which provides an independent feedback channel for employees and external parties to report possible improprieties in matters of financial reporting or other matters directly to the AC Chairman and/or member of the AC in confidence and in good faith without fear of reprisals. The Policy establishes the processes by which whistleblowing complaints are handled and the confidentiality and identity of the whistleblower is maintained and protected. The AC ensures that arrangements are in place for independent investigation of matters raised and to allow appropriate follow-up actions to be taken. Details of this Policy have been disseminated and made available to all employees of the Group. To facilitate participation by the external parties, the Policy is also available on the Company's website at www.centurioncorp.com.sg.

Corporate Governance

During the year, the AC held four (4) meetings to review, in respect of FY2017, the quarterly, half-year and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works and interested person transactions and arrangements for employees to raise concerns about possible improprieties.

The AC also had one (1) meeting with the external auditors and two (2) meetings with the internal auditors, without the presence of the Management.

The AC assesses the independence of the external auditors, PricewaterhouseCoopers LLP, annually. The AC has reviewed the non-audit services provided by the external auditors and is of the opinion that the provision of such services as well as the fees paid for FY2017 does not affect their independence.

The aggregate amount of fees paid/payable to the external auditors for FY2017 are as follows:

	S\$'000
Audit fees	467
Non-audit fees	1,689
Total fees	<u>2,156</u>

The AC has reviewed and confirmed that the Company has complied with Rules 712, 715 and 716 of the Listing Manual of SGX-ST in relation to the appointment of auditors of the Company, its subsidiaries and significant associated companies.

The AC has recommended the re-appointment of PricewaterhouseCoopers LLP as the Company's external auditors at the forthcoming AGM. Accordingly, the Company has complied with Rule 13.88 of the HK Listing Rules.

Internal Audit – Principle 13

The Company has out-sourced its internal audit function to BDO LLP ("BDO"). The internal auditor reports directly to the Chairman of the AC and presents their reports and audit findings and recommendations to the AC.

The internal auditor is provided with unfettered access to the Company's properties, information and records and performs their reviews in accordance with the BDO Global IA methodology which is consistent with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. As the Group's outsourced internal auditors, BDO ensures that the engagement staff possess the relevant qualification and experience to conduct the internal audits.

The AC reviews the internal auditor's reports on the state of the Group's internal controls as well as approves the annual internal audit plans.

The AC is satisfied that the internal auditor has the necessary resources to adequately perform its functions.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights – Principle 14

The Company treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of shareholders' rights. Shareholders are informed of changes in the Company's business that are likely to materially affect the value of the Company's shares.

Corporate Governance

At each AGM and/or General Meetings, shareholders are given the opportunity to participate effectively and raise their concerns with the Directors and Management on matters pertaining to the Group's business and its operations. Notice of an AGM and any extraordinary general meeting ("EGM") at which it is proposed to pass a special resolution is dispatched to shareholders at least 21 clear days or 20 clear business days (whichever is longer) before the scheduled date for such meeting; while Notice of all other EGMs is dispatched to shareholders at least 14 clear days or 10 clear business days (whichever is longer) before the scheduled date for such meeting. Each item of the special business included in the Notice of the General Meeting will be accompanied by an explanation of the effects of a proposed resolution.

According to Regulation 48 of the Company's Constitution, the Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an EGM, or in default, the EGM may be convened by such requisitionists, including shareholders holding a minority stake in the Company which have shareholdings not less than ten per cent (10%) of the total number of paid-up shares as at the date of the requisition carries the right of voting at General Meetings.

According to Section 176 of the Companies Act (Chapter 50) of Singapore ("Companies Act"), directors of a company, notwithstanding anything in its constitution, on the requisition of shareholders holding at the date of the deposit of the requisition not less than ten per cent (10%) of the total number of paid-up shares as at the date of the deposit carries the right of voting at general meetings, immediately proceed duly to convene an EGM of the company to be held as soon as practicable but in any case not later than 2 months after the receipt by the company of the requisition.

Besides, according to Section 177 of the Companies Act, two or more shareholders holding not less than ten per cent (10%) of the total number of issued shares of the company (excluding treasury shares) may call a meeting of the company.

A meeting of a company or of a class of shareholders, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution.

So far as the Constitution does not make other provision in that behalf, notice of every meeting shall be served on every shareholder having a right to attend thereat in the manner in which notices are required to be served by the model constitution prescribed under section 36(1) for the type of company to which the company belongs, if any.

Shareholders may at any time send their enquiries and concerns to the Board in writing through our Investor Relations Contact, details are as follows:

INVESTOR RELATIONS CONTACT

David Oh Ser Wee
Investor Relations Manager
Tel: (65) 6745 3288
Email: david.oh@centurioncorp.com.sg

Communication with Shareholders – Principle 15

The Company values dialogue with its shareholders and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible.

The Company does not practice selective disclosure. In line with the continuous disclosure obligations of the Company, the Board ensures that shareholders are equally informed of all major developments within the Group on a timely basis. Financial results and other material information are communicated to shareholders on a timely basis through:

Corporate Governance

- Annual Report and Notice of the AGM prepared and issued to all shareholders within the mandatory period;
- Financial statements/results for the respective quarter and full year released through SGXNet and the website of SEHK in accordance with the requirements of the SGX-ST's Listing Rules and HK Listing Rules, respectively;
- Notices of and explanatory memoranda for AGMs and EGMs advertised in the newspapers and also made via SGXNet and the website of SEHK;
- Announcements relating to major developments of the Group made via SGXNet and the website of SEHK in accordance with the requirements of the SGX-ST's Listing Rules and HK Listing Rules, respectively; and
- Group's website at www.centurioncorp.com.sg at which shareholders can access information regarding the Group. The website provides all corporate announcements, press releases, annual reports, circulars, presentation slides and profiles of the Group. An email link has been established on the website to receive feedbacks, request for information and facilitate communications with shareholders.

Briefings for analysts, media and investors are held following the release of the Group's half-year and full-year results via SGXNet and the website of SEHK. Presentations are also made, as appropriate, to explain the Group's strategy, performance and major developments. All analysts' and media briefing materials are made available on SGXNet and the website of SEHK as well as on the Company's website for the information of shareholders.

The Company has engaged an external investor relations ("IR") firm which communicates with its shareholders and analysts on a regular basis and attends to their queries or concerns. The IR firm also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties. In addition, the Company participates in one-on-one meetings, conference calls, investor conferences and road shows. In these meetings, matters pertaining to business strategy, operational and financial performance and business prospects were shared by the senior management team.

The Company does not currently have a formal policy on payment of dividends to shareholders. The Group, however, plans to declare dividends on a half-yearly basis to reward shareholders taking into consideration the Group's annual profitability, cashflow requirements for its business expansion and retained earnings, as well as any other factors deemed relevant by the Directors.

To show the Company's appreciation for its shareholders' long-term support, the Board is recommending a final dividend payout of S\$0.01 per ordinary share and a special dividend payout of S\$0.005 per ordinary share, to be approved by shareholders at the forthcoming AGM. Together with the interim dividend payment of S\$0.01 per ordinary share during the year, this brings the total dividend payment for FY2017 to S\$0.025 per ordinary share.

Conduct of Shareholder Meetings – Principle 16

The Company encourages shareholder participation at General Meetings of shareholders.

Shareholders have the opportunities to communicate their views on matters relating to the Group and to participate effectively in the meeting and to vote thereat, either in person or by proxy. The Company's Constitution allows the appointment of one or two proxies by shareholders (who are not a relevant intermediary or a clearing house (or its nominee(s)) to attend the AGM and other General Meetings and vote in his/her place; and a shareholder who is a relevant intermediary or a clearing house (or its nominee(s)) may appoint more than two proxies to attend the AGM and other General Meetings and vote in its place. For the time being, the Board is of the view that this is adequate to enable shareholders to participate in General Meetings of the Company. The Company has not implemented measures to allow shareholders who are unable to vote in person at the Company's General Meetings the option to vote in absentia, such as, via mail, electronic mail or facsimile.

Issues seeking approval of shareholders, if any, are usually tabled as separate resolutions. Resolutions tabled at AGMs and other General Meetings are voted on by way of poll conducted in the presence of independent scrutineers. Poll voting procedures are explained by the Company Secretary or independent scrutineer at the AGMs and other General Meetings,

Corporate Governance

where appropriate. The results of the poll voting are announced at the meeting and made via SGXNet and the website of SEHK on the same day as the meeting.

Minutes of AGMs and other General Meetings are prepared and made available to shareholders upon their written request.

All Directors, Chairman of the Board and Chairpersons of the AC, RC and NC, or members of the respective Board Committees standing in for them, as well as the external auditors are present at each AGM and other General Meetings held by the Company, if any, to address any queries raised by the shareholders. A summary of the relevant queries from shareholders and responses provided at the AGMs and/or General Meetings are made available on the Company's website.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested person(s) and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are subject to review by the AC to ensure compliance with Chapter 9 of the SGX-ST Listing Manual and Chapter 14A of the HK Listing Rules.

The Company's disclosure in accordance with Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for FY2017 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000)
Associates of Controlling Shareholders *	S\$116,000

* During the financial year under review, the following transactions have been entered with associates of our controlling shareholders, Mr Loh Kim Kang David and Mr Han Seng Juan:

Cost Sharing Reimbursement Agreement to Centurion Properties Pte Ltd - S\$87,200, Purchase of Wine from Centurion Wine Collections (Singapore) Pte Ltd - S\$16,800 and Media Advertisement Services provided by Weekender Group Pte Ltd - S\$12,000.

The Company does not have a shareholders' mandate for interested person transactions.

DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted an internal code governing dealings in securities by Directors, officers and employees who are likely to be in possession of unpublished price sensitive information of the Company and its subsidiaries. Following its Dual Primary Listing, the Company has updated the code to be in line with the requirements of the HK Listing Rules and HK CG Code on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the HK Listing Rules. This revised code has been disseminated to all the Directors, officers and employees of the Group as defined in the code.

Directors, officers and employees have been informed not to deal in the Company's securities at all times whilst in possession of unpublished price sensitive information and during the periods commencing:

- 30 days immediately preceding the publication date of the announcement of the Company's quarterly results or half-year results of its financial year or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; and
- 60 days immediately preceding the publication date of the announcement of the Company's full-year results or, if shorter, end of financial year and up to the publication date of the results.

Corporate Governance

Directors, officers and employees have also been directed to refrain from dealing in the Company's securities on short-term considerations.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Company's internal code throughout FY2017. Besides, no incident of non-compliance of the Company's internal code by the employees has been noted by the Company.

MATERIAL CONTRACTS

No material contracts were entered between the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder during or at the end of FY2017.

USE OF PROCEEDS FROM THE EXERCISE OF BONUS WARRANTS AND ISSUE OF NEW ORDINARY SHARES ("OFFER SHARES") PURSUANT TO THE SHARE OFFER AND DUAL PRIMARY LISTING

Bonus Warrants

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of one warrant for every ten existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one ordinary share in the capital of the Company at an exercise price of S\$0.50 for each ordinary share and such rights have expired at 5:00 pm on 27 October 2017 in accordance with the terms of the Bonus Warrants. As at the expiry of the warrants, a total of 68,167,383 new ordinary shares had been issued by the Company (of which, 67,354,886 new ordinary shares were issued during FY2017) pursuant to the exercise of warrants and net proceeds of S\$34,083,692 received in connection therewith had been utilised for the investment into an investment fund established and sponsored by the Company for the acquisitions of six student accommodations across five states in the USA, including Auburn, Alabama, Tallahassee Florida, Madison Wisconsin, College Station Texas and New Haven Connecticut. The number of unexercised warrants which ceased to be valid was 7,437,848.

Offer Shares

On 11 December 2017, the Company allotted and issued 36,000,000 Offer Shares at the offer price of HK\$3.18 (or equivalent to S\$0.55) per Offer Share pursuant to the Share Offer and Dual Primary Listing. The aggregate net proceeds from the share offer received by the Company, after deducting underwriting commissions and expenses paid and payable in connection with the share offer was S\$11,859,248. The total net proceeds received has not been utilised thus far.

CORPORATE GOVERNANCE FUNCTIONS

Upon the Dual Primary Listing of the Company, the Board performs the corporate governance duties set out in Code Provision D.3.1 of the HK CG Code, which, among other things, are as follows:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance; and
- (e) to review the Company's compliance with the relevant laws and regulations and disclosure in the Corporate Governance Report.

Corporate Governance

CHANGES IN THE COMPANY'S CONSTITUTIONAL DOCUMENTS

During FY2017, the Constitution of the Company was amended by shareholders' approval on 6 September 2017 prior to its Dual Primary Listing. Save as the aforesaid, there were no significant changes in the Company's constitutional documents. The amended Constitution of the Company is available on the websites of the SGX-ST, the SEHK and the website of the Company.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for FY2017.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 103 to 106.

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Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2017 and the balance sheet of the Company as at 31 December 2017.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 107 to 198 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (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.

PRINCIPAL ACTIVITIES

The principal activities of the Company include investment holding and provision of management services.

The principal activities of its subsidiaries and associated companies are set out in Notes 20 and 19 respectively.

OPERATIONS AND FINANCIAL REVIEW

Details of the operations review and the financial review of the Group are set out in the annual report under section headed “**Operations Review**” on pages 34 to 37 of the annual report and the section headed under “**Financial Review**” on pages 30 to 33 of the annual report, respectively. A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 199 of the annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the financial statements on pages 107 to 108 of the annual report.

An interim dividend of 1.0 cent per share amounting to \$7,957,000 has been paid during the financial year.

The directors will recommend a final dividend of 1.0 cent per share amounting to a total of \$8,408,000 and a special dividend of 0.5 cent amounting to a total of \$4,204,000 for the financial year ended 31 December 2017.

PRINCIPAL PROPERTIES

Details of the principal properties held for sale and for investment purposes are set out in Note 17 and 21 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in Note 22 to the financial statements.

BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2017 are set out in Note 25 to the financial statements.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

SHARE CAPITAL AND TREASURY SHARES

Details of the movements in share capital and treasury shares of the Company during the year are set out in Note 29 and Note 29(a) to the financial statements respectively.

On 12 December 2017, the Company issued 36,000,000 ordinary shares for a total consideration of \$19,759,248 for cash to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

During the financial year, 67,354,886 warrants were exercised and correspondingly the Company issued 67,354,886 new shares and received the proceeds of S\$33,677,443.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES AND CANCELLATION OF TREASURY SHARES

As at 1 January 2017, the Company held 16,908,900 treasury shares amounting to \$6,498,000.

During the financial year, the Company acquired 2,540,700 shares in the Company in the open market. The total amount paid to acquire the shares was S\$1,119,000 and this was presented as a component within shareholders' equity.

The breakdown of the share purchase by month is shown below:

Month of purchase	Share price per share	Number of shares purchased	Total Amount (S\$)*
April 2017	S\$0.42	81,000	34,000
May 2017	S\$0.44	2,459,700	1,085,000
		<u>2,540,700</u>	<u>1,119,000</u>

* Inclusive of brokerage fees

Subsequent to the above share purchases, the Company had an aggregate of 19,449,600 treasury shares.

On 22 November 2017, the Company cancelled all of the 19,449,600 treasury shares amounting to S\$7,617,000 out of retained profits pursuant to Section 76K of the Singapore Companies Act, Cap. 50.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Constitution of the Company or under the laws of the Republic of Singapore, where the Company is incorporated.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the retained profits of the Group are distributable except for the amount of \$nil (2016: \$6,498,000) used to purchase treasury shares and accumulated retained profits of associated companies amounting to \$76,972,000 (2016: \$75,799,000) which are included in the Group's retained profits.

Movement in the distributable reserves of the Company at 31 December 2017 are set out in Note 31(b) to the financial statements.

MAJOR CUSTOMER AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

None of the directors, their associates or any shareholder (which to the knowledge of the directors own more than 5% of the Company's Share Capital) had an interest in these major suppliers or customers.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

DONATIONS

Charitable and other donations made by the Group during the year amounted to \$429,000 (2016: \$230,000).

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders of the Company by reason of their holdings of the Company's shares.

DIRECTORS

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

Non-Executive Chairman

Wong Kok Hoe

Non-Executive Directors

Han Seng Juan

Loh Kim Kang David

Non-Executive Independent Directors

Gn Hiang Meng (Lead Independent Director)

Chandra Mohan s/o Rethnam

Owi Kek Hean

INDEPENDENCE CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors as independent.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management of the Group are set out in the annual report under the section headed "Board of Directors" on pages 10 to 11 and section headed "Senior Management" on pages 12 to 15, respectively.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Board has the general power of determining the Directors' fees, subject to approval of the shareholders of the Company at the annual general meeting each year.

The remuneration and other emoluments are determined by the Board by recommendation of the Remuneration Committee with reference to the duties, responsibilities and performance of the Directors and the results of the Group.

Details of the remuneration of the Directors are set out in Note 9(b) to the financial statements.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

SHARE OPTIONS

The Company has no share option scheme as at the date of this report.

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

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S ("CEO") INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

Disclosure under Singapore Law

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director/CEO		Holdings in which director/CEO is deemed to have an interest	
	At 31.12.2017	At 1.1.2017	At 31.12.2017	At 1.1.2017
Centurion Corporation Limited (No. of ordinary shares)				
Gn Hiang Meng	-	-	247,500	225,000
Loh Kim Kang David	21,679,050	14,553,900	445,956,126	399,069,206
Han Seng Juan	10,907,500	3,672,000	453,703,626	406,094,206
Kong Chee Min (CEO)	172,905	171,187	-	-
Ultimate Holding Corporation - Centurion Global Ltd (No. of ordinary shares)				
Loh Kim Kang David	8,086	8,086	-	-
Han Seng Juan	8,086	8,086	-	-
Immediate Holding Corporation - Centurion Properties Pte Ltd (No. of ordinary shares)				
Loh Kim Kang David	-	-	10,000,000	10,000,000
Han Seng Juan	-	-	10,000,000	10,000,000

- (b) Loh Kim Kang David and Han Seng Juan, who by virtue of their individual interest of not less than 20% of the issued capital of the Company, are deemed to have an interest in the shares of the subsidiaries held by the Company.

- (c) The director's interests in the ordinary shares of the Company as at 21 January 2018 were the same as those as at 31 December 2017.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Disclosure under Hong Kong Law

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which have been notified to the Company and the SEHK pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or, have been entered in the register maintained by the Company pursuant to section 352 of the SFO, otherwise have been notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers are as follows:

Interests or short positions in underlying shares of the Company

	Direct Interest			Deemed Interest			Total Interest	
	Capacity Nature of interests	No. of Shares	% ⁽²⁾	Capacity/ Nature of interests	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Loh Kim Kang David	Beneficial owner	21,679,050 ^{(L)(4)}	2.58	Interest of controlled corporation	445,756,126 ⁽³⁾	53.02	467,635,176 ⁽¹⁰⁾	55.62
				Interest of spouse	200,000 ⁽⁵⁾	0.02		
Han Seng Juan	Beneficial owner	10,907,500 ^{(L)(7)}	1.30	Interest of controlled corporation	445,756,126 ⁽⁶⁾	53.02	464,611,126 ⁽¹¹⁾	55.26
				Interest of spouse	7,947,500 ⁽⁸⁾	0.95		
Gn Hiang Meng	-	-	-	Interest of spouse	247,500 ⁽⁹⁾	0.03	247,500 ^(L)	0.03
Kong Chee Min (CEO)	Beneficial owner	172,905	0.02	-	-	-	172,905	0.02

Notes:

- (1) The Letter "L" denotes the person's long position in the relevant Shares.
- (2) Based on 840,778,624 Shares in issue (excluding treasury shares) as at 31 December 2017.
- (3) Loh Kim Kang David ("Mr. Loh") holds a 50% shareholding interest in Centurion Global Ltd, which is the 100% holding company of Centurion Properties Pte Ltd. Thinkpac Limited is a wholly-owned subsidiary of Centurion Properties Pte Ltd. Mr. Loh is, therefore, deemed to be interested in 435,756,126 Shares held by Centurion Properties Pte Ltd and 10,000,000 Shares held by Thinkpac Limited.
- (4) Of the 21,679,050 Shares interested in by Mr. Loh, 16,716,750 Shares are registered in the name of the UOB Kay Hian Private Limited, 2,500,000 Shares are registered in the name of Raffles Nominees (Pte.) Limited, 2,104,300 Shares are registered in the name of CIMB Securities (Singapore) Pte Ltd and 358,000 Shares are registered in the name of CIMB Securities Limited.
- (5) Mr. Loh also has a deemed interest in 200,000 Shares held by his spouse, Ms. Wong Wan Pei.
- (6) Han Seng Juan ("Mr. Han") holds a 50% shareholding interest in Centurion Global Ltd, which is the 100% holding company of Centurion Properties Pte Ltd. Thinkpac Limited is a wholly-owned subsidiary of Centurion Properties Pte Ltd. Mr. Han is, therefore, deemed to be interested in 435,756,126 Shares held by Centurion Properties Pte Ltd and 10,000,000 Shares held by Thinkpac Limited.
- (7) Of the 10,907,500 Shares interested in by Mr. Han, 3,300,000 Shares are registered in the name of Citibank Nominees Singapore Pte Ltd, 685,500 Shares are registered in the name of UOB Kay Hian Private Limited, 1,800,000 Shares are registered in the name of Kim Eng Securities (Hong Kong) Limited, 4,000,000 Shares are registered in the name of UBS Securities (Hong Kong) Limited, 402,300 Shares are registered in the name of Oversea-Chinese Bank Nominees Pte Ltd and 719,700 Shares are registered in his own name.
- (8) Mr. Han also has a deemed interest in 7,947,500 Shares held by his spouse, Ms Kang Lee Cheng, Susanna.
- (9) Mr. Gn Hiang Meng has a deemed interest in 247,500 Shares held by his spouse, Loo Bee Hoon.
- (10) Of these Shares, 19,179,050 Shares held by Mr. Loh and 435,756,126 Shares held by Centurion Properties Pte Ltd as his deemed interest have been pledged to independent third party financial institution(s).
- (11) Of these Shares, 5,785,500 Shares held by Mr. Han and 435,756,126 Shares held by Centurion Properties Pte Ltd as his deemed interest have been pledged to independent third party financial institution(s).

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Save as disclosed above, as at 31 December 2017, none of the Directors or CEO of the Company or their respective associates had registered an interest or short position in the Shares or underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under provision of the SFO) or was required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the SEHK pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 31 December 2017, the persons or entities who have interests or short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of part XV of the Securities and Futures Ordinance ("SFO"), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Long position in the Company shares and underlying shares of the Company

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Centurion Properties Pte td ⁽²⁾	435,756,126	51.83	10,000,000	1.19	445,756,126	53.02
Centurion Global Ltd ⁽³⁾	-	-	445,756,126	53.02	445,756,126	53.02
Loh Kim Kang David ⁽⁴⁾	21,679,050	2.58	445,956,126	53.04	467,635,176	55.62
Han Seng Juan ⁽⁵⁾	10,907,500	1.30	453,703,626	53.96	464,611,126	55.26
Teo Peng Kwang ⁽⁶⁾	63,723,330	7.58	-	-	63,723,330	7.58

Notes:

- (1) Based on 840,778,624 issued ordinary shares (excluding treasury shares) as at 31 December 2017.
- (2) Of the 435,756,126 shares held by Centurion Properties Pte Ltd ("Centurion Properties"), 310,000,000 shares are registered in the name of DB Nominees (S) Pte Ltd and 125,756,126 shares are registered in the name of Raffles Nominees (Pte.) Limited. Centurion Properties is deemed to be interested in 10,000,000 shares held by its wholly-owned subsidiary, Thinkpac Limited ("Thinkpac"), which are registered in the name of UOB Kay Hian Private Limited.
- (3) Centurion Properties is a wholly-owned subsidiary of Centurion Global Ltd ("Centurion Global") and Thinkpac is a wholly-owned subsidiary of Centurion Properties. Centurion Global is, therefore, deemed to be interested in 435,756,126 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac.
- (4) Loh Kim Kang David ("Mr Loh") holds a 50% shareholding interest in Centurion Global. Mr Loh is, therefore, deemed to be interested in 435,756,126 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac. Mr Loh also has a deemed interest in 200,000 shares held by his spouse, Wong Wan Pei.
Of the 21,679,050 shares held by Mr Loh, 16,716,750 shares are registered in the name of UOB Kay Hian Private Limited, 2,500,000 shares are registered in the name of Raffles Nominees (Pte.) Limited, 2,104,300 shares are registered in the name of CIMB Securities (Singapore) Pte Ltd and 358,000 shares are registered in the name of CIMB Securities Limited.
19,179,050 Shares held by Mr. Loh and 435,756,126 Shares held by Centurion Properties Pte Ltd as his deemed interest have been pledged to independent third party financial institution(s).
- (5) Han Seng Juan ("Mr Han") holds a 50% shareholding interest in Centurion Global. Mr Han is, therefore, deemed to be interested in 435,756,126 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac. Mr Han also has a deemed interest in 7,947,500 shares held by his spouse, Kang Lee Cheng Susanna, which are registered in the name of DB Nominees (S) Pte Ltd.
Of the 10,907,500 shares held by Mr Han, 3,300,000 shares are registered in the name of Citibank Nominees Singapore Pte Ltd, 685,500 shares are registered in the name of UOB Kay Hian Private Limited, 1,800,000 shares are registered in the name of Kim Eng Securities (Hong Kong) Limited, 4,000,000 shares are registered in the name of UBS Securities (Hong Kong) Limited, 402,300 shares are registered in the name of Oversea-Chinese Bank Nominees Pte Ltd and 719,700 shares are registered in his own name.
5,785,500 Shares held by Mr. Han and 435,756,126 Shares held by Centurion Properties Pte Ltd as his deemed interest have been pledged to independent third party financial institution(s).
- (6) Of the 63,723,330 shares held by Teo Peng Kwang, 40,270,164 shares are registered in the name of DBS Bank Ltd, 16,000,000 shares are registered in the name of Deutsche Bank AG, 7,356,916 shares are registered in the name of UOB Kay Hian Private Limited and 96,250 shares are registered in the name of United Overseas Bank Nominees Pte Ltd.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Other than those disclosed above and under "Interested Person Transactions" in page 90 of the annual report, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Our Group continuously endeavours to promote environmental and social responsibility to employees and contribute to the community. Our Group is always in compliance with all the relevant laws and regulations and recognise that creating sustainable value for all of our stakeholders remains at the core of our business. We are committed to strike a balance between achieving our business goals, meeting the needs of our stakeholders and actively minimising our environmental footprint and any negative impact. We understand that by monitoring and evaluating our economic, environmental and social efforts moving on, the Group acts responsibly in the best interest of our shareholders and gains competitive advantage in the long term.

Details of the environment and social responsibility are set out in the section headed "Sustainability Report" in this annual report.

CONNECTED TRANSACTIONS

Details of the connected transactions are set out in page 90 under "Interested Person Transactions" in the section headed "Corporate Governance".

The transactions between connected parties (as defined in the Listing Rules) and the Company have been entered into and/or are ongoing in accordance with Chapter 14A of the Listing Rules.

DEED OF NON-COMPETITION

The Company has received the written confirmations from Mr. Loh and Mr. Han in respect of the compliance with the provisions of the deed of non-competition ("Deed of Non-competition"), entered into between the Controlling Shareholders and the Company.

The independent non-executive directors had reviewed and confirmed that the Controlling Shareholders have complied with the Deed of Non-competition and the Deed of Non-competition has been enforced by the Company in accordance with its terms during the year and up to the date of this annual report.

EQUITY-LINKED AGREEMENT

No equity-linked agreement which may result in the Company issuing shares was entered into or existed during the year.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed minimum percentage of public float from 12 December 2017 (i.e. the date of listing) to the date of this annual report under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").

Details of the shareholdings in public hands are set out in page 201 under "Percentage of Shareholding in Public's Hands" in the section headed "Statistics of Shareholdings".

PERMITTED INDEMNITY PROVISIONS

Under the Constitution, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of his/her duties in his/her office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

RELATED PARTY TRANSACTIONS

Our Group entered into certain related party transactions with its related parties during the financial year ended 31 December 2017.

Details of the related party transactions are set out in Note 35 to the financial statements. Except as disclosed above, none of the related party transactions constitute a connected transactions or continuing connected transaction under the SEHK Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance are set out in the section headed "Corporate Governance" in this annual report.

INTEREST OF THE COMPLIANCE ADVISER

As notified by VBG Capital Limited ("VBG"), the compliance adviser of the Company, except for the compliance adviser's agreement entered into between the Company and VBG, neither VBG nor its directors or employees or closed associates had any interests in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities) as at 31 December 2017. VBG has received and will receive fees for acting as the compliance adviser of the Company.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Gn Hiang Meng (Chairman)
Chandra Mohan s/o Rethnam
Owi Kek Hean

All members of the Audit Committee were non-executive directors and independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2017 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Wong Kok Hoe

Director

15 March 2018

Loh Kim Kang David

Director

Independent Auditor's Report

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Centurion Corporation Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Company comprise:

- the consolidated income statement of the Group for the year ended 31 December 2017;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2017;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Our Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Valuation of investment properties</u> Refer to Note 21 – Investment Properties</p> <p>As at 31 December 2017, the carrying value of the Group's investment properties of \$952,345,000 accounted for 80% of the Group's total assets.</p> <p>The valuation of investment properties was a key audit matter due to the significant judgement in key inputs used in valuation techniques. These key inputs include discount rate, rental rate per room, market value of comparable property and capitalisation rate and are dependent on the nature of each investment property and the prevailing market conditions.</p> <p>The key estimates and assumptions are disclosed in Note 2.7 and Note 21 to the accompanying financial statements respectively.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties; discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; tested the integrity of information, including underlying lease and financial information provided to the external valuers; and assessed the reasonableness of the discount rate, rental rate per room, market value of comparable property and capitalisation rate by benchmarking these against those of comparable properties and prior year inputs. <p>We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.</p> <p>We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.</p>

Other Information

Management is responsible for the other information. The other information refers to the information in the annual report which does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 that we obtained prior to the date of this auditor's 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.

Independent Auditor's Report

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

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 Act and IFRSs, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

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

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.

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 15 March 2018

Consolidated Income Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Revenue	4	137,113	120,537
Cost of sales	5	(42,903)	(41,885)
Gross profit		94,210	78,652
Other income and gains	6	1,351	1,792
Net fair value losses on investment properties and assets held for sale	17,21	(1,220)	(3,121)
Expenses			
- Distribution expenses	5	(1,180)	(1,313)
- Administrative expenses	5	(26,832)	(18,166)
- Finance expenses	8	(21,545)	(21,383)
Share of profit of associated companies	19	4,606	5,398
Profit before income tax		49,390	41,859
Income tax expense	10(a)	(11,746)	(7,048)
Total profit		37,644	34,811
Profit attributable to:			
Equity holders of the Company		31,722	28,707
Non-controlling interests		5,922	6,104
		37,644	34,811
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	11(a)	4.17	3.86
Diluted earnings per share	11(b)	4.17	3.86

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

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Total profit		37,644	34,811
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Available-for-sale financial assets			
– Fair value losses	30(b)(i)	(29)	(22)
– Reclassification	30(b)(i)	(69)	-
Share of other comprehensive loss of associated companies	19	(604)	-
Currency translation gains/(losses) arising from consolidation		3,379	(18,936)
Other comprehensive income/(loss), net of tax		2,677	(18,958)
Total comprehensive income		40,321	15,853
Total comprehensive income attributable to:			
Equity holders of the Company		34,399	9,749
Non-controlling interests		5,922	6,104
		40,321	15,853

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

Balance Sheets

AS AT 31 DECEMBER 2017

		Group		Company	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
ASSETS					
Current assets					
Cash and bank balances	12	75,765	82,545	34,762	34,584
Trade and other receivables	13	13,632	7,835	41,391	6,419
Inventories	14	84	103	-	-
Other assets	15	5,146	3,802	106	257
Available-for-sale financial assets	16	11,887	2,174	11,887	2,174
		106,514	96,459	88,146	43,434
Assets held for sale	17	6,801	7,375	-	-
		113,315	103,834	88,146	43,434
Non-current assets					
Trade and other receivables	13	-	-	335,834	294,623
Other assets	15	1,511	130	130	130
Financial assets, at fair value through profit or loss	18	51	-	-	-
Investments in associated companies	19	112,810	77,236	1,298	1,298
Investments in subsidiaries	20	-	-	16,853	16,966
Investment properties	21	952,345	927,406	-	-
Property, plant and equipment	22	8,959	9,268	837	203
Deferred income tax assets	28	-	4	-	-
Intangible assets	23	-	1,856	-	-
		1,075,676	1,015,900	354,952	313,220
Total assets		1,188,991	1,119,734	443,098	356,654
LIABILITIES					
Current liabilities					
Trade and other payables	24	44,744	47,247	11,438	9,478
Current income tax liabilities	10	10,455	10,478	895	816
Borrowings	25	107,530	39,604	72,459	1,571
Other liabilities	27	879	286	-	-
		163,608	97,615	84,792	11,865
Non-current liabilities					
Borrowings	25	545,108	620,794	84,490	134,467
Other liabilities	27	447	500	-	-
Deferred income tax liabilities	28	4,095	1,343	47	23
		549,650	622,637	84,537	134,490
Total liabilities		713,258	720,252	169,329	146,355
NET ASSETS		475,733	399,482	273,769	210,299
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	29	142,242	89,837	253,553	201,148
Treasury shares	29	-	(6,498)	-	(6,498)
Other reserves	30	(18,617)	(21,294)	64	162
Retained profits	31	339,302	330,553	20,152	15,487
		462,927	392,598	273,769	210,299
Non-controlling interests		12,806	6,884	-	-
Total equity		475,733	399,482	273,769	210,299

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

Consolidated Statement of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Note	Attributable to equity holders of the Company					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Retained profits \$'000	Total \$'000		
2017							
Beginning of financial year	89,837	(6,498)	(21,294)	330,553	392,598	6,884	399,482
Profit for the year	-	-	-	31,722	31,722	5,922	37,644
Other comprehensive income for the year	-	-	2,677	-	2,677	-	2,677
Total comprehensive income for the year	-	-	2,677	31,722	34,399	5,922	40,321
Dividends relating to 2016 paid	32	-	-	(7,399)	(7,399)	-	(7,399)
Dividends relating to 2017 paid	32	-	-	(7,957)	(7,957)	-	(7,957)
Issuance of shares pursuant to warrant exercised	29	33,677	-	-	33,677	-	33,677
Issuance of shares pursuant to share offering	29	19,759	-	-	19,759	-	19,759
Share issue expenses	29	(1,031)	-	-	(1,031)	-	(1,031)
Cancellation of treasury shares	29	-	7,617	(7,617)	-	-	-
Purchase of treasury shares	29	-	(1,119)	-	(1,119)	-	(1,119)
Total transactions with owners, recognised directly in equity	52,405	6,498	-	(22,973)	35,930	-	35,930
End of financial year	142,242	-	(18,617)	339,302	462,927	12,806	475,733
2016							
Beginning of financial year	89,837	(2,107)	(2,336)	316,722	402,116	780	402,896
Profit for the year	-	-	-	28,707	28,707	6,104	34,811
Other comprehensive loss for the year	-	-	(18,958)	-	(18,958)	-	(18,958)
Total comprehensive (loss)/income for the year	-	-	(18,958)	28,707	9,749	6,104	15,853
Dividends relating to 2015 paid	32	-	-	(7,476)	(7,476)	-	(7,476)
Dividends relating to 2016 paid	32	-	-	(7,400)	(7,400)	-	(7,400)
Purchase of treasury shares	29	-	(4,391)	-	(4,391)	-	(4,391)
Total transactions with owners, recognised directly in equity	-	(4,391)	-	(14,876)	(19,267)	-	(19,267)
End of financial year	89,837	(6,498)	(21,294)	330,553	392,598	6,884	399,482

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Total profit		37,644	34,811
Adjustments for:			
- Income tax expense		11,746	7,048
- Depreciation and amortisation		4,769	7,981
- Allowance for impairment of trade and other receivables		149	126
- Net loss/(gain) on disposal of plant and equipment		59	(106)
- Fair value losses on investment properties and assets held for sale		1,220	3,121
- Interest income		(906)	(1,371)
- Dividend income		(107)	(115)
- Finance expenses		21,545	21,383
- Share of profit of associated companies		(4,606)	(5,398)
- Gain on disposal of available-for-sale financial assets		(67)	-
- Scrap sales income		(380)	-
- Impairment of intangible asset		207	-
- Unrealised currency translation differences		(194)	971
Operating cash flow before working capital changes		71,079	68,451
Change in working capital			
- Inventories		19	278
- Trade and other receivables		(5,632)	(2,192)
- Other assets		(69)	313
- Trade and other payables		503	9,689
Cash generated from operations		65,900	76,539
Income tax paid		(8,964)	(7,018)
Net cash provided by operating activities		56,936	69,521
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		57	513
Additions to investment properties		(21,767)	(94,926)
Purchases of property, plant and equipment		(2,673)	(4,484)
Interest received		906	1,371
Dividends received		107	115
Dividends received from an associated company		2,584	11,120
Short-term bank deposits (charged)/released as security to bank		(172)	1,721
Deposits paid for acquisition of investment property		(1,381)	-
Other deposits paid		(1,335)	-
Purchase of available-for-sale financial assets		(9,954)	-
Acquisition of shares in an associated company		(34,934)	-
Purchase of financial assets at fair value through profit or loss		(51)	-
Proceeds from disposal of available-for-sale financial assets		67	-
Net cash used in investing activities		(68,546)	(84,570)

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

Consolidated Statement of Cash Flows (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from financing activities			
Proceeds from borrowings		97,910	140,336
Repayment of borrowings		(106,843)	(132,206)
Proceeds from exercise of warrants		33,677	-
Purchase of treasury shares		(1,119)	(4,391)
Interest paid		(21,476)	(21,197)
Medium term note repurchase		-	(255)
Dividends paid to equity holders of the company		(15,356)	(14,876)
Loan from non-controlling interests		1,470	4,900
Repayment of loan from associated company		(2,584)	(10,220)
Listing expenses paid		(989)	-
Proceeds from share offering		19,759	-
Net cash provided by/(used in) financing activities		4,449	(37,909)
Net decrease in cash and cash equivalents held		(7,161)	(52,958)
Cash and cash equivalents			
Beginning of financial year	12	80,219	134,388
Effects of currency translation on cash and cash equivalents		133	(1,211)
End of financial year	12	73,191	80,219

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

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Centurion Corporation Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. During the year, the Company dual listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK"). The address of its registered office is 45 Ubi Road 1, #05-01, Singapore 408696.

The principal activities of the Company include investment holding and provision of management services.

The principal activities of its subsidiaries and associated companies are set out in Notes 20 and 19 respectively.

The financial statements are presented in thousands of Singapore Dollars (S\$'000) unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

IFRS 1 "First-time adoption of International Financial Reporting Standards" has been applied in preparing the combined financial statements as the Group previously prepared its consolidated financial statements in accordance with Singapore Financial Reporting Standards ("SFRS") issued by the Accounting Standards Council of Singapore for the year ended 31 December 2016 and prior year. The board of directors reassessed the accounting policies adopted by the Company in accordance with IFRS and SFRS, and considered that there are no material textual differences between these accounting standards. Accordingly, no reconciliation of the Group's equity and profits reported under previous accounting standard to its equity and profits under IFRSs was prepared. The Company has consistently applied these accounting policies used in preparing the opening statement of financial position as at 1 January 2016 and throughout all years presented in accordance with IFRS, as if these policies had always been in effect. The Group's IFRS adoption and transition date is 1 January 2016 and the Group prepared its opening balance sheet in compliance with IFRS. The Group did not apply any other exemptions or exceptions under the provisions of IFRS.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Group adopted the new or amended IFRS and Interpretations of IFRS ("INT IFRS") that are mandatory for application for the year as set out below. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and INT IFRS.

IAS 27 (Amendment)	Separate financial statements (Equity method in separate financial statements)
IAS 16 (Amendment)	Property, plant and equipment (Clarification of acceptable methods of depreciation and amortisation)
IAS 16 (Amendment)	Property, plant and equipment
IAS 1 (Amendment)	Presentation of financial statements (Disclosure initiative)
IFRS 10 (Amendment)	Consolidated financial statements
IFRS 12 (Amendment)	Disclosure of Interests in other entities
IAS 28 (Amendment)	Investments in associates and joint ventures (Investment entities: Applying the consolidation exception) (Editorial corrections in June 2015)
IFRS 11 (Amendment)	Joint Arrangements (Accounting for acquisitions of interest in joint operations)
IFRS 5	Non-current assets held for sale and discontinued operations (Methods of disposal)
IFRS 7	Financial instruments: Disclosures (Servicing contracts and interim financial statements)
IAS 7	Statement of cash flows (Disclosure initiative)
IAS 12	Income taxes (Recognition of deferred tax assets for unrealised losses)

The adoption of these new or amended IFRS and INT IFRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior year, except for the need to provide disclosure with regards to IAS 7 (Note 12).

The following are the new standards and amendments to standards that are relevant to the Group, which have been published but are not yet effective for the financial period and which the Group has not early adopted:

		Effective for annual periods beginning on or after
IAS 28 and IFRS 10	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
IAS 28 (Amendment)	Measuring an associate or joint venture at fair value	1 January 2018
IAS 40 (Amendment)	Transfer of investment property	1 January 2018
IFRS 1 (Amendment)	Deletion of short-term exemptions for first-time adopters	
IFRIC 22	Foreign currency and advance consideration	1 January 2018
IFRS 2 (Amendment)	Share-based payment classification and measurement	1 January 2018
IFRS 4 (Amendment)	Applying IFRS 9 financial instruments with IFRS 4 insurance contracts	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance contracts	1 January 2021

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The adoption of these new standards, amendments and interpretations is not expected to have significant impact on the financial statements of the Group, except for the following amendments and new standards:

IFRS 9 “Financial instruments” replaces the whole of IAS 39. IFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. Classification is driven by the entity’s business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability’s own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

IFRS 9 also introduces a new model for the recognition of impairment losses — the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 contains a ‘three stage’ approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

During the current and prior financial year, the Group’s financial assets and financial liabilities were carried at amortised costs without significant impairment on the former. The Group, however, has investments in available-for-sale financial assets which are carried at fair value. Under IFRS 9, the available-for-sale financial assets will be classified at fair value through other comprehensive income and there is no subsequent recycling of the fair value differences to profit or loss. Apart from this, the implementation of IFRS 9 is not expected to result in any other significant impact on the Group’s financial position and results of operations.

IFRS 15 “Revenue from Contracts with Customers” — This new standard replaces the previous revenue standards: IAS 18 “Revenue” and IAS 11 “Construction Contracts”, and the related Interpretations on revenue recognition. IFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an “earnings processes” to an “asset liability” approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent considerations. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The Group's major revenue stream is namely rental income generated from workers and student accommodation assets which will be accounted for based on IFRS 15. Management has performed a preliminary assessment on the other streams of revenue and expects that the implementation of the IFRS 15 would not result in any significant impacts on the Group's financial position and results of operations. However, the Group will be required to provide a cohesive set of additional disclosure requirement under IFRS 15 upon its adoption.

IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

IFRS 16 Leases - This new standard addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The Group is a lessee of various properties which are currently classified as operating leases. The Group's current accounting policy for such leases is set out in Note 2.18 with the Group's future operating lease commitments, which are not reflected in the consolidated balance sheets, under non-cancellable operating lease of S\$89,188,000 as at 31 December 2017 set out in Note 33(b). IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated balance sheets. Instead, when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus, each lease will be mapped in the Group's consolidated balance sheets. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation.

The new standard will therefore result in an increase in assets and financial liabilities in the consolidated balance sheets. As for the financial performance impact in the consolidated income statements and comprehensive income, rental expenses will be replaced with straight-line depreciation expense on the right-of-use asset and interest expenses on the lease liability. The combination of the straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term. The Group has disclosed its non-cancellable operating lease commitments in Note 33(b). As a result of the adoption of the new standard, there will be no operating lease commitment.

Nevertheless, it is expected that there will be no material impact on the total expenses to be recognised by the Group over the entire lease period and the total net profit over the lease period is not expected to be materially affected. The adoption of IFRS 16 would not affect the Group's total cash flows in respect of the leases. We are continuing to assess the specific magnitude of the adoption of IFRS 16 to the relevant financial statement areas and management will conduct a more detailed assessment on the impact as information becomes available closer to the planned initial date of adoption of 1 January 2019.

For lessors, the accounting stays almost the same. Although the standard provides guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), this does not impact the Group as there are no such arrangements in place.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of IFRS

The Group adopted IFRS on 1 January 2016. The financial statements for the year ended 31 December 2016 are the first set of financial statements the Group prepared in accordance with IFRS. The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2015 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting IFRS on 1 January 2016, the Group is required to apply all of the specific transition requirements in IFRS 1 *First-time Adoption of IFRS* ("IFRS 1"). Under IFRS 1, these financial statements are required to be prepared using accounting policies that comply with IFRS effective as at 31 December 2016. The same accounting policies are applied throughout all years presented in these financial statements, subject to the mandatory exceptions and optional exceptions under the Standard.

The Group's opening balance sheet under IFRS has been prepared as at 1 January 2015, which is the Group's date of transition to IFRS ("date of transition").

(a) Optional exemptions

The Group has not applied any optional exemptions under IFRS 1 in preparing this first set of financial statements in accordance with IFRS.

(b) There were no material adjustments to the Group's equity arising from the transition from SFRS to IFRS.

(c) There were no material adjustments to the Group's total comprehensive income arising from the transition from SFRS to IFRS.

(d) There were no material adjustments to the Group's statement of cash flows arising from the transition from SFRS to IFRS.

2.3 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Sale of goods*

Revenue from these sales is recognised when the Group has delivered the products to the customers and the customers have accepted the products and collectability of the related receivables is reasonably assured.

The Group does not operate any customer loyalty programme.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (continued)

(b) *Rendering of services*

Revenue from rendering of services is recognised when the services are rendered.

(c) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(d) *Interest income*

Interest income, including income arising from finance leases and other financial instruments is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2.4 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy for goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments.

When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.5 Government grants

Grants from the government are recognised as receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis unless they are directly attributable to the construction of an item of plant and equipment, in which case, they are set off against the asset.

2.6 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (continued)

(b) Depreciation

Freehold land and capital work-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Building on freehold land	50 years
Leasehold land and building	20 years
Leasehold improvements	Based on lease terms
Plant, machinery and equipment	2 - 10 years
Renovation, furniture and fittings	4 - 10 years
Motor vehicles	4 - 5 years
Office equipment and computers	3 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains".

2.7 Investment properties

Investment properties include properties that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the costs of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investment properties (continued)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.8 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) Favourable lease agreement

Favourable lease agreement acquired is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the favourable lease term, which is the shorter of its estimated useful life and period of contractual rights.

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. Quasi-equity loans are carried at cost.

2.11 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets

Property, plant and equipment

Investments in subsidiaries, associated companies and joint ventures

Intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets (continued)

(b) Intangible assets

Property, plant and equipment

Investments in subsidiaries, associated companies and joint ventures (continued)

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.12 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The Group has financial assets only in the categories of loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and bank balances" on the balance sheet except for certain non-trade receivables from subsidiaries which have been accounted for in accordance with Note 2.9.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(e) Impairment (continued)

(i) Loans and receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.12(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in a subsequent period.

2.13 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries, associated companies and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries, associated companies or joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheets except when the fair value is determined to be insignificant.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries', associated companies' and joint ventures' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheets.

Intra-group transactions are eliminated on consolidation.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.17 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.18 Leases

(a) When the Group is the lessee:

The Group leases land, motor vehicles and certain property, plant and equipment under finance and operating leases from non-related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (continued)

(a) When the Group is the lessee: (continued)

(ii) Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor:

The Group subleases its leased office premises under operating leases to non-related parties. The Group also leases its investment properties under operating leases to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.19 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.20 Income taxes

Current income tax for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Income taxes (continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.22 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Defined benefit plans

The Group also has an unfunded defined benefit plan as part of a subsidiary's national severance, gratuity and corporation benefits plan. An independent actuary's valuation is obtained in determining the defined benefit obligation using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms of maturity approximating the terms of the related liability.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Employee compensation (continued)

(c) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(d) *Termination benefits*

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of FRS 37 and involves the payment of termination benefits. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.23 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the date of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.24 Segment reporting

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

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.26 Share capital, treasury shares and share issuance expenses

Proceeds from issuance of ordinary shares are classified as equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Share capital, treasury shares and share issuance expenses (continued)

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

Costs directly attributable to the issuance of new shares during the listing are deducted against the share capital. For costs attributable to the sales of existing shares, these are recognised in profit or loss.

2.27 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

2.28 Assets held for sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use, except for investment properties. Investment properties classified as assets held-for-sale are measured in accordance with the Group's accounting policies (Note 2.7). The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss, except for investment properties. Investment properties classified as assets held-for-sale are subsequently carried at fair value in accordance with the Group's accounting policies (Note 2.7).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuation of investment properties

The Group, in reliance on independent professional valuers, applies estimates, assumptions and judgments in the determination of fair values for investment properties. The valuation forms the basis for the carrying amounts in the consolidated financial statements (Note 21).

4. REVENUE

	Group	
	2017	2016
	\$'000	\$'000
Sale of goods	1,516	2,161
Rendering of services	2,224	1,516
Rental income from investment properties (Note 21)	125,915	110,119
Rental income from operating leases	3,303	2,930
Others	4,155	3,811
Total revenue	137,113	120,537

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5. COST OF SALES AND EXPENSES

	Group	
	2017	2016
	\$'000	\$'000
Purchase of raw materials and consumables	527	541
Changes in inventories	19	278
Depreciation of property, plant and equipment (Note 22)	3,120	3,042
Amortisation of intangible asset (Note 23(c))	1,649	4,939
Total depreciation and amortisation	4,769	7,981
Allowance for impairment of trade and other receivables	149	126
Property tax	6,584	4,281
Employee compensation (Note 9)	17,366	16,942
Rental expense on operating leases	7,857	7,042
Utilities	7,371	6,496
Repairs and maintenance	4,284	4,708
Insurance	637	557
Security and card system expenses	1,992	1,592
Legal and professional fees	3,226	2,628
Transportation expenses	1,080	820
Advertising and promotion expenses	1,088	917
Auditors' remuneration	500	454
Listing expenses	6,869	-
Others	6,597	6,001
Total cost of sales, distribution and administrative expenses	70,915	61,364

6. OTHER INCOME AND GAINS

	Group	
	2017	2016
	\$'000	\$'000
Rental income	12	102
Interest income	906	1,371
Dividend income	107	115
Other gains (Note 7)	326	204
	1,351	1,792

7. OTHER GAINS

	Group	
	2017	2016
	\$'000	\$'000
Currency exchange loss - net	(277)	(189)
Net (loss)/gain on disposal of plant and equipment	(59)	106
Government grants	172	274
Available-for-sale financial assets		
- reclassification from other comprehensive income on disposal (Note 30(b)(i))	69	-
Others (including scrap sales income)	421	13
	326	204

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8. FINANCE EXPENSES

	Group	
	2017 \$'000	2016 \$'000
Interest expense:		
- bank borrowings	20,175	21,565
- finance lease liabilities	3	1
- associated company	1,220	1,489
- non-controlling interest	159	92
Less: Borrowing costs capitalised in investment properties	(12)	(1,764)
Finance expenses recognised in profit or loss	21,545	21,383

Borrowing costs on general financing were capitalised at a rate of nil (2016: 0.27%).

9. EMPLOYEE COMPENSATION - INCLUDING DIRECTORS' REMUNERATIONS

(a) Employee benefit expenses during the years are as follows:

	Group	
	2017 \$'000	2016 \$'000
Wages and salaries	16,041	15,539
Employer's contribution to defined contribution plans, including Central Provident Fund	1,325	1,391
Post-employment benefits (Note 27(b))	-	12
Total employee compensation (Note 5)	17,366	16,942

(b) Directors' remunerations

The remuneration of every director for the year ended 31 December 2017 is set out below:

Name of director	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Employer's contribution to defined contribution plans S\$'000	Other benefits S\$'000	Total S\$'000
<i>Non-executive directors</i>					
Han Seng Juan	42	-	-	-	42
Loh Kim Kang David	42	-	-	-	42
Wong Kok Hoe	72	-	-	-	72
	156	-	-	-	156
<i>Independent non-executive directors</i>					
Chandra Mohan s/o Rethnam	86	-	-	-	86
Gn Hiang Meng	111	-	-	-	111
Owi Kek Hean	69	-	-	-	69
	266	-	-	-	266
	422	-	-	-	422

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS (CONTINUED)

(b) Directors' remunerations (continued)

The remuneration of every director for the year ended 31 December 2016 is set out below:

Name of director	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Employer's contribution to defined contribution plans S\$'000	Other benefits S\$'000	Total S\$'000
<i>Non-executive directors</i>					
Han Seng Juan	42	-	-	-	42
Loh Kim Kang David	42	-	-	-	42
Wong Kok Hoe	99	-	-	-	99
	183	-	-	-	183
<i>Independent non-executive directors</i>					
Chandra Mohan s/o Rethnam	86	-	-	-	86
Gn Hiang Meng	111	-	-	-	111
	197	-	-	-	197
	380	-	-	-	380

(i) Directors' retirement benefits

Save as disclosed above, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the current and prior financial years.

(ii) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the current and prior financial years.

(iii) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company during the current and prior financial years.

(iv) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the current and prior financial years.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS (CONTINUED)

(b) Directors' remunerations (continued)

(v) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the current and prior financial years.

(c) Five highest paid individuals

The five individuals whose remunerations were the highest in the Company whose remunerations are reflected in the analysis presented below.

	Group	
	2017 \$'000	2016 \$'000
Wages, salaries and allowances	3,167	2,951
Retirement benefits costs		
– defined contributions plans	79	79
	3,246	3,030

The remunerations of above individuals are within the following bands:

	Number of individuals	
Remunerations band	2017	2016
HK\$1,500,001 – HK\$2,000,000	1	1
HK\$2,000,001 – HK\$2,500,000	-	1
HK\$2,500,001 – HK\$3,000,000	2	1
HK\$4,500,001 – HK\$5,000,000	-	1
HK\$5,000,001 – HK\$5,500,000	1	1
HK\$5,500,001 – HK\$6,000,000	1	-

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. INCOME TAXES

(a) Income tax expense

	Group	
	2017	2016
	\$'000	\$'000
Tax expense attributable to the profit is made up of:		
- Profit for the financial year		
Current income tax		
- Singapore	7,742	6,890
- Foreign	2,105	1,663
	9,847	8,553
Deferred income tax (Note 28)	816	(927)
	10,663	7,626
- (Over)/under provision in prior financial years		
Current income tax	(854)	(497)
Deferred income tax (Note 28)	1,937	(81)
	11,746	7,048

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2017	2016
	\$'000	\$'000
Profit before tax	49,390	41,859
Share of profit of associated companies, net of tax	(4,605)	(5,398)
Profit before tax and share of profit of associated companies	44,785	36,461
Tax calculated at a tax rate of 17% (2016: 17%)	7,613	6,198
Effects of:		
- different tax rates in other countries	495	1,786
- statutory stepped income exemption	(182)	(113)
- expenses not deductible for tax purposes	5,758	9,226
- income not subject to tax	(2,712)	(9,338)
- utilisation of previously unrecognised tax losses	(450)	(317)
- utilisation of previously unrecognised capital allowances	-	(1)
- unrecognised deferred tax assets	297	361
- under/(over) provision of tax in prior years	1,083	(578)
- others	(156)	(176)
Tax charge	11,746	7,048

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. INCOME TAXES (CONTINUED)

(b) Movements in current income tax liabilities/(recoverable)

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	9,868	9,010	816	478
Currency translation differences	11	(180)	-	-
Income tax paid – net	(8,964)	(7,018)	(38)	(10)
Tax expense	9,847	8,553	117	363
Over provision in prior financial years	(854)	(497)	-	(15)
End of financial year	9,908	9,868	895	816

The current income tax account comprises the following:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current income tax recoverable				
(Included in Other assets – Note 15)	(547)	(610)	-	-
Current income tax liabilities	10,455	10,478	895	816
	9,908	9,868	895	816

(c) There is no tax charge relating to each component of other comprehensive income.

11. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2017	2016
Net profit attributable to equity holders of the Company (\$'000)	31,722	28,707
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	760,836	743,342
Basic earnings per share (cents)	4.17	3.86

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

The Company has one category of dilutive potential ordinary shares: warrants.

The basic and diluted earnings per share for the current financial year were the same because 67,354,886 warrants were exercised during the year and the remaining 7,437,848 unexercised warrants were expired at 5:00 p.m. on 27 October 2017.

The basic and diluted earnings per share for the prior financial year were the same because the effect of the assumed conversion of warrants outstanding was anti-dilutive.

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	2017	2016
Net profit used to determine diluted earnings per share (\$'000)	31,722	28,707
Weighted average number of ordinary shares outstanding after adjustments for warrants ('000)	760,836	743,342
Diluted earnings per share (cents)	4.17	3.86

12. CASH AND BANK BALANCES

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	38,311	22,001	14,466	3,303
Short-term bank deposits	37,454	60,544	20,296	31,281
	75,765	82,545	34,762	34,584

As at 31 December 2017, short-term bank deposits at the balance sheet date have an average maturity of 1 - 10 months (2016: 1 - 11 months) from that date with the following weighted average effective interest rates:

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12. CASH AND BANK BALANCES (CONTINUED)

	Group		Company	
	2017	2016	2017	2016
	%	%	%	%
Singapore Dollar	1.04	0.93	1.12	1.19
Australian Dollar	-	1.49	-	1.21
Sterling Pound	0.54	0.34	-	-
United States Dollar	0.83	0.86	-	-
Ringgit Malaysia	3.15	3.57	-	-

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2017	2016
	\$'000	\$'000
Cash and bank balances (as above)	75,765	82,545
Less: Short-term bank deposits charged as security to bank	(2,574)	(2,326)
Cash and cash equivalents per consolidated statement of cash flows	73,191	80,219

As at 31 December 2017, short-term bank deposits of the Group amounting to \$2,574,000 (2016: \$2,326,000) were charged as security to a bank as a guarantee in relation to a bank facility.

The reconciliation of liabilities arising from financing activities as at 31 December 2016 and 31 December 2017 are as follows:

	31 December 2016	Cash flows	Non-cash items	Interest expense	Currency translation differences	31 December 2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank borrowings and finance						
lease liabilities (Note 25)	539,380	(93,271)	-	-	1,839	447,948
Notes payable (Note 25)	64,467	84,338	-	339	-	149,144
Loan from non-controlling						
interests (Note 25)	4,900	1,470	-	-	-	6,370
Loan from associated company						
(Note 25)	50,080	(2,584)	(861) ⁽¹⁾	-	-	46,635
Interest payable (Note 25)	1,571	(5,650)	-	6,620	-	2,541
Accrued interest expense	1,883	(15,826)	-	14,586	-	643
	662,281	(31,523)	(861)	21,545	1,839	653,281

⁽¹⁾ During the financial year, the Group repaid a portion of the loan to associated company amounting to \$861,000 via offsetting of dividends received from the associated company.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. TRADE AND OTHER RECEIVABLES

(a) Current

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade receivables – non-related parties	3,387	4,712	-	-
Less: Allowance for impairment	(852)	(1,033)	-	-
	2,535	3,679	-	-
Receivables from subsidiaries				
– trade	-	-	2,515	2,955
– non-trade	-	-	18,022	5,028
Receivables from related companies				
– non-trade	3,249	-	-	-
Receivables from associated companies				
– trade	196	242	-	-
– non-trade	1,664	958	2	12
Loans to subsidiaries	-	-	22,215	2,215
	5,109	1,200	42,754	10,210
Less: Allowance for impairment	-	-	(3,855)	(3,851)
	5,109	1,200	38,899	6,359
Other receivables	5,988	2,956	2,492	60
	13,632	7,835	41,391	6,419

During the year, the Company provided additional allowance for impairment of \$1,957,000 (2016: \$329,000) for current and non-current loans to subsidiaries (Note 13(b)) and wrote back allowances for impairment of non-trade receivables from subsidiaries of \$nil (2016: \$108,000).

The non-trade receivables from subsidiaries, related companies and associated companies and loans to subsidiaries are unsecured, interest-free and repayable on demand.

The majority of the group's sales are on cash terms. The remaining amounts are with credit terms of 30 to 60 days and which are mostly covered by customers' rental deposits. At 31 December 2016 and 2017, the ageing analysis of the trade receivables based on invoice date is as follows:

	Group	
	2017 \$'000	2016 \$'000
Up to 3 months	2,546	3,429
3 to 6 months	186	339
Over 6 months	655	944
	3,387	4,712

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Non-current

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Loans to subsidiaries	-	-	345,646	302,482
Less: Allowance for impairment	-	-	(9,812)	(7,859)
	-	-	335,834	294,623

The loans to subsidiaries are unsecured with no fixed terms of repayment and are not expected to be repaid within the next twelve months. Included in the loans to subsidiaries is an amount of \$70,137,000 (2016: \$67,568,000) which bears interest at 5.5% (2016: 5.5%) per annum and \$6,630,000 (2016: \$6,020,000) which bears floating interest rates (2016: \$nil).

The loans to subsidiaries are treated as a long-term source of additional capital and financing to the subsidiaries. Accordingly, they are deemed to be quasi-equity representing an addition to the Company's net investments in the subsidiaries.

14. INVENTORIES

	Group	
	2017 \$'000	2016 \$'000
Finished goods	8	14
Raw materials	76	89
	84	103

The cost of inventories recognised as expense and included in "cost of sales" amounted to \$546,000 (2016: \$819,000).

15. OTHER ASSETS

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<u>Current</u>				
Deposits	3,868	2,643	68	218
Prepayments	731	539	38	39
Tax recoverable (Note 10(b))	547	610	-	-
Others	-	10	-	-
	5,146	3,802	106	257
<u>Non-current</u>				
Deposits	1,511	130	130	130

At the balance sheet date, the carrying amounts of the deposits approximated their fair values.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Beginning of financial year	2,174	2,196	2,174	2,196
Currency translation differences	(143)	-	(143)	-
Additions	9,954	-	9,954	-
Disposal	(69)	-	(69)	-
Fair value losses recognised in other comprehensive income (Note 30(b)(i))	(29)	(22)	(29)	(22)
End of financial year	11,887	2,174	11,887	2,174

Available-for-sale financial assets are analysed as follows:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Listed debt securities – Singapore	11,887	2,174	11,887	2,174

The fair values of listed debt securities are based on quoted market prices at the balance sheet date.

Available-for-sale financial assets are classified as current assets as management intends to dispose these assets as and when they are needed for working capital.

17. ASSETS HELD FOR SALE

	Group	
	2017 \$'000	2016 \$'000
Details of the assets classified as held-for-sale are as follows:		
Beginning of the year	7,375	-
Currency translation differences	30	-
Transferred from property, plant and equipment (Note 22)	-	1,421
Transferred from investment properties (Note 21)	-	5,954
Net fair value losses recognised in profit or loss	(604)	-
	6,801	7,375

Following the approval by the Group's senior management and directors on 29 November 2016 to dispose the Group's non-core assets, the following investment properties and property, plant and equipment listed below are reclassified to assets held for sale in 2016 and will remain in assets held for sale until the completion of the sale.

As at 31 December 2017, management has confirmed its intention and commitment to sell these assets remained unchanged and they continue to be actively marketing the asset held for sales.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17. ASSETS HELD FOR SALE (CONTINUED)

Location	Note	Description	Existing use	Tenure	Unexpired term of lease	Previous classification
Desa Cemerlang, Malaysia	(a)	9 blocks of workers dormitory	Commercial dormitory	Freehold	-	Investment Property
Tampoi, Malaysia	(a)	Undeveloped land	Vacant	Freehold	-	Investment Property
Beechwood House, Manchester, United Kingdom	(a)	2 apartment blocks consisting of 11 flats with 37 beds	Student accommodation	Leasehold	117 years	Investment Property
Indonesia MM 2100 Industrial Town Jl. Bali Blok HI-1 Cibitung Bekasi 17520	(b)	Factory compound	Industrial factory building	Leasehold	7 years	Property, plant and equipment
Indonesia Royal Palace Shophouse Complex, Block C No.15, Jl. Prof. Dr. Seopomo SH No.178A, Tebet, South Jakarta	(b)	A 4-storey shophouse	Office	Leasehold	3.5 years	Property, plant and equipment

(a) Independent valuation of investment properties reclassified to assets held for sale was undertaken by independent professional valuers and amounted to \$5,472,000 (2016: \$5,954,000). Fair value losses of \$604,000 (2016: \$nil) was recognised in profit or loss.

(b) As at 31 December 2016, property, plant and equipment were reclassified to assets held for sale at the lower of their carrying values and fair value less costs to sell.

The fair value measurement for assets held for sale has been categorised within Level 3 fair value hierarchy based on the inputs to the valuation techniques (Note 21).

18. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2017 \$'000	2016 \$'000
Designated at fair value on initial recognition		
- Unquoted equity investment - Singapore	51	-

During the financial year, the Group acquired a 1.5% equity interest in PC Portfolio Pte. Ltd. The total cash consideration for acquisition of the entity is \$51,000. The carrying value of net identifiable assets at the date of acquisition approximates the cash consideration. The principal activity of the entity is investment holding.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

As at 31 December 2017, the fair value of unquoted equity investment is estimated by making reference to the Group's share in the attributable net assets of the investee company as reflected in their latest available financial information. The attributable net assets of the investee company comprise mainly of real estate properties, and are adjusted where applicable, for independent valuations of the real estate properties held by the investee company as at balance sheet date.

19. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Equity investment, at cost			1,668	1,668
Less: Accumulated impairment			(370)	(370)
			<u>1,298</u>	<u>1,298</u>
Beginning of financial year	77,236	83,097		
Acquisition of interest in an associated company (Note 19(a))	34,934	-		
Currency translation differences	(604)	(32)		
Share of profit	4,606	5,398		
Dividends received	(3,445)	(11,120)		
Share of loss/(profit) in excess of investment in an associated company	83	(107)		
End of financial year	<u>112,810</u>	<u>77,236</u>		

- (a) During the financial year, the Group acquired a 28.7% equity interest in Centurion US Student Housing Fund. The total cash consideration for acquisition of the entity is \$34,934,000. The carrying value of net identifiable assets at the date of acquisition approximates the cash consideration. The principal activity of the entity is a trust holding of real estate properties under an investment structure.
- (b) There are no contingent liabilities relating to the Group's interest in the associated companies.
- (c) During the financial year, the dividend received from an associated company was partly used to offset the loan from associated company (Note 12).
- (d) Set out below are the associated companies of the Group as at 31 December 2017, which in the opinion of the directors, are not material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also their principal place of business.

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19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Name of entity	Principal activities	Place of business/ country of incorporation	% of ownership interest	
			2017 %	2016 %
Held directly by the Company				
Sherford (M) Sdn Bhd ^(a)	Property investment	Malaysia	25.0	25.0
Held by subsidiaries				
Oriental Amber Sdn Bhd ^{(b),(c)}	Property investment and provision of dormitory accommodation, management and services	Malaysia	49.0	49.0

(a) Audited by M.S. Wong & Co.

(b) Audited by PricewaterhouseCoopers, Malaysia.

(c) Holdings through Centurion Dormitories Sdn Bhd.

- (e) Set out below are the associated companies of the Group as at 31 December 2017, which in the opinion of the directors, are material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also their principal place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	% of ownership interest	
			2017 %	2016 %
Held by subsidiary				
Lian Beng-Centurion (Mandai) Pte Ltd ^{(a),(b)}	Owner of a workers’ dormitory and investment holding	Singapore	45.0	45.0
Held by Lian Beng-Centurion (Mandai) Pte Ltd				
Lian-Beng Centurion (Dormitory) Pte Ltd ^(a)	Provision of dormitory accommodation services	Singapore	45.0	45.0
Held by subsidiary				
Centurion US Student Housing Fund ^{(c),(d)}	Trust	Singapore	28.7	-
Held by Centurion US Student Housing Fund				
Centurion US Student Accommodation Holdings Pte Ltd ^(e)	Investment holding	Singapore	28.7	-
Held by Centurion US Student Accommodation Holdings Pte Ltd				
Centurion US Student Accommodation Inc. ^(c)	Investment holding	United States of America	28.7	-

(a) Audited by Ernst and Young LLP, Singapore.

(b) Holdings through Centurion Dormitories Pte Ltd.

(c) No auditor has been appointed as at 31 December 2017.

(d) Holdings through Centurion Overseas Investments Pte Ltd.

(e) Audited by PricewaterhouseCoopers LLP, Singapore.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated companies

Set out below is the summarised financial information for the material associated companies held by the Group.

Summarised balance sheet

	Centurion US Student Housing Fund As at 31 December 2017 \$'000	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December 2017 \$'000	2016 \$'000	Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December 2017 \$'000	2016 \$'000	Total As at 31 December 2017 \$'000	2016 \$'000
ASSETS							
Current assets	59,008	11,069	11,411	12,675	8,501	82,752	19,912
Includes:							
- Cash and bank balances	2,410	9,948	9,313	11,825	7,454	24,183	16,767
Non-current assets	65,745	320,632	331,088	465	547	386,842	331,635
LIABILITIES							
Current liabilities	(3,027)	(8,949)	(9,168)	(6,738)	(6,904)	(18,714)	(16,072)
Includes:							
- Trade and other payables	(3,027)	(1,276)	(1,512)	(4,474)	(4,463)	(8,777)	(5,975)
- Borrowings	-	(7,656)	(7,656)	(3)	(3)	(7,659)	(7,659)
Non-current liabilities	-	(158,689)	(166,345)	(56)	(80)	(158,745)	(166,425)
Includes:							
- Borrowings	-	(158,689)	(166,345)	(1)	(4)	(158,690)	(166,349)
NET ASSETS	121,726	164,063	166,986	6,346	2,064	292,135	169,050

Notes To The Financial Statements

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19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised statement of comprehensive income

	Centurion US Student Housing Fund As at 31 December 2017 \$'000	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December 2017 \$'000	2016 \$'000	Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December 2017 \$'000	2016 \$'000	Total As at 31 December 2017 \$'000	2016 \$'000
Sales	-	-	-	22,272	23,399	22,272	23,399
Interest income	535	1,463	2,055	82	187	2,080	2,242
Expenses includes:							
- Depreciation and amortisation	-	-	-	(289)	(274)	(289)	(274)
- Interest expense	-	(4,263)	(4,522)	-	-	(4,263)	(4,522)
Profit before tax	2,287	4,750	18,094	14,321	15,520	21,358	33,614
- Income tax expense	-	(17)	(18)	(2,383)	(2,599)	(2,400)	(2,617)
Other comprehensive loss	(2,101)	-	-	-	-	(2,101)	-
Total profit and total comprehensive income	186	4,733	18,076	11,938	12,921	16,857	30,997
Dividends received from associated companies	-	7,656	19,212	-	-	7,656	19,212

The information above reflects the amounts included in the financial statements of the associated companies (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

Notes To The Financial Statements

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19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised statement of comprehensive income (continued)

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in the associated companies is as follows:

	Centurion US Student Housing Fund As at 31 December 2017 \$'000	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December 2017 \$'000	2016 \$'000	Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December 2017 \$'000	2016 \$'000	Total As at 31 December 2017 \$'000	2016 \$'000
Net assets							
At 1 January	-	166,986	173,622	2,064	8,355	169,050	181,977
Incorporation of fund	121,540	-	-	-	-	121,540	-
Other comprehensive loss	(2,101)	-	-	-	-	(2,101)	-
Profit for the year	2,287	4,733	18,076	11,938	12,921	18,958	30,997
Dividends paid	-	(7,656)	(24,712)	(7,656)	(19,212)	(15,312)	(43,924)
Net assets at 31 December	121,726	164,063	166,986	6,346	2,064	292,135	169,050
Interest in the associated companies (28.7%;45%;45%)	34,988	73,828	75,144	2,856	929	111,672	76,073
Add:							
Carrying value of individually immaterial associated companies, in aggregate						1,138	1,163
Carrying value of Group's interest in associated companies						112,810	77,236

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20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	2016
	\$'000	\$'000
Equity investment, at cost	26,193	26,193
Less: Accumulated impairment	(9,340)	(9,227)
	16,853	16,966

- (a) The carrying amount of investments in subsidiaries and the movement in the related allowance for impairment are as follows:

	Company	
	2017	2016
	\$'000	\$'000
Beginning of financial year	16,966	17,400
Impairment of subsidiaries	(113)	(434)
End of financial year	16,853	16,966

During the year, the Company provided for impairment of subsidiaries amounting to \$113,000 (2016: \$434,000) as the carrying amount of a subsidiary exceeded its recoverable amount.

- (b) The Group had the following subsidiaries as at 31 December 2017 and 2016:

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017	2016	2017	2016	2017	2016
				%	%	%	%	%	%
Summit CD Manufacture Pte Ltd ^(a)	Manufacture and sale of optical discs and related components	Singapore	SGD 2,000,000	100	100	100	100	-	-
Summit Hi-Tech Pte Ltd ^(a)	Dormant	Singapore	SGD 1,003,000	100	100	100	100	-	-
SM Summit Holdings Pte Ltd ^(a)	Investment holding	Singapore	SGD 500,000	100	100	100	100	-	-
Clean2Go Laundry Pte Ltd ^{(a),(h)}	Laundry and dry cleaning services	Singapore	SGD 100,000	-	-	100	100	-	-
Advance Technology Investment Ltd ^{(b),(h)}	Investment holding	Hong Kong	HKD 100,000	-	-	100	100	-	-
Shanghai Huade Photoelectron Science & Technology Co. Ltd ^{(c),(i)}	Dormant	People's Republic of China	CNY 59,817,675	-	-	100	100	-	-
Summit Technology Australia Pty Ltd ^(d)	Dormant	Australia	AUD 4,000,000	100	100	100	100	-	-

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20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2017 and 2016: (continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Summit Printing (Australia) Pty Ltd ^{(d),(i)}	Dormant	Australia	AUD 100,002	-	-	100	100	-	-
Centurion Accommodation (Australia) Pty Ltd ^{(d),(i)}	Property investments	Australia	AUD 2,000,000	-	-	100	100	-	-
SM Summit Holdings (HK) Ltd ^(b)	Dormant	Hong Kong	HKD 1,000	100	100	100	100	-	-
Summit CD Manufacture (HK) Ltd ^(b)	Dormant	Hong Kong	HKD 3,000,000	100	100	100	100	-	-
Gate Cosmos Investments Ltd ^(b)	Investment holding	British Virgin Islands	SGD 2	100	100	100	100	-	-
PT Digital Media Technology ^{(e),(k)}	Ceased operations	Indonesia	IDR 10,005,000,000	-	-	100	100	-	-
Centurion Dormitories Pte Ltd ^(a)	Investment holding	Singapore	SGD 2,000,000	100	100	100	100	-	-
Westlite Dormitory Management Pte Ltd ^{(a),(i)}	Provision of management services	Singapore	SGD 3,500,000	-	-	100	100	-	-
Westlite Dormitory (Toh Guan) Pte Ltd ^{(a),(i)}	Property investments and provision of dormitory accommodation services	Singapore	SGD 1,000,000	-	-	100	100	-	-

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20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2017 and 2016: (continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Westlite Dormitory Investments Private Limited ^{(a),(l)}	Investment holding	Singapore	SGD 4,935,600	-	-	100	100	-	-
Westlite Dormitory (Tuas) Pte Ltd ^{(a),(m)}	Property investments and provision of dormitory accommodation services	Singapore	SGD 1,000,000	-	-	100	100	-	-
Centurion Dormitories Holdings Pte Ltd ^(a)	Investment holding	Singapore	SGD 100,000	100	100	100	100	-	-
Westlite Dormitory (Woodlands) Pte Ltd ^{(a),(n)}	Property investments and provision of dormitory accommodation services	Singapore	SGD 1,000,000	-	-	100	100	-	-
Westlite Dormitory (V Two) Pte Ltd ^{(a),(n)}	Investment holding	Singapore	SGD 110,000	-	-	100	100	-	-
PT Westlite Accommodation Cibitung ^{(b),(o)}	Property investments and provision of dormitory accommodation services	Indonesia	IDR 5,000,000,000	-	-	100	100	-	-
Westlite Dormitory (V Three) Pte Ltd ^{(a),(n)}	Provision of dormitory accommodation services and trading	Singapore	SGD 30,000	-	-	100	100	-	-
Centurion Dormitory Venture Pte Ltd ^(a)	Investment holding	Singapore	SGD 100,000	100	100	100	100	-	-
Centurion-Lian Beng (Papan) Pte Ltd ^{(a),(p)}	Property investments and provision of dormitory accommodation services	Singapore	SGD 2,000,000	-	-	51	51	49	49

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20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2017 and 2016: (continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
CSL Student Living (Selegie) Pte Ltd ^{(a),(n)}	Provision of student accommodation and services	Singapore	SGD 500,000	-	-	100	100	-	-
WLC Facilities Services Pte Ltd ^{(a),(l)}	Provision of utilities and transportation services	Singapore	SGD 100,000	-	-	100	100	-	-
Centurion Dormitories Sdn Bhd ^{(f),(l)}	Investment holding	Malaysia	MYR 1,000,000	-	-	100	100	-	-
Westlite Dormitory Management Sdn Bhd ^{(f),(a)}	Provision of management services	Malaysia	MYR 500,000	-	-	100	100	-	-
WLC Management Services Sdn Bhd ^{(f),(a)}	Provision of dormitory management and dormitory accommodation services	Malaysia	MYR 200	-	-	100	100	-	-
Westlite Dormitory (Tebrau) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-
Westlite Dormitory (Cemerlang) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-
Westlite Dormitory (JB Techpark) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-

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20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2017 and 2016: (continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Westlite Dormitory (Tampoi) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-
Westlite Dormitory (Pasar Gudang) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-
Westlite Dormitory (PG II) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 10	-	-	100	100	-	-
Westlite Dormitory (Senai) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-
Westlite Dormitory (SN II) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-
Westlite Dormitory (Penang Juru) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 1,000,000	-	-	100	100	-	-
Westlite Dormitory (Bukit Minyak) Sdn Bhd ^{(f),(a)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 100,000	-	-	100	100	-	-

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20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2017 and 2016: (continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
First Megalink Sdn Bhd ^{(f),(g)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR 2	-	-	100	100	-	-
Centurion Overseas Investments Pte Ltd ^(a)	Investment holding	Singapore	SGD 11,000,000	100	100	100	100	-	-
Centurion Overseas Ventures Ltd ^{(b),(r)}	Investment holding and provision of management services	Malaysia	AUD 27,600,000	-	-	100	100	-	-
Centurion Melbourne Student Village Trust ^{(d),(s)}	Trust	Australia	AUD 46,100,000	-	-	100	100	-	-
Centurion Melbourne Apartment Trust ^{(d),(s)}	Trust	Australia	AUD 6,400,000	-	-	100	100	-	-
Centurion Australia Investments Pty Ltd ^{(b),(r)}	Trustees for 2 trusts in Australia	Australia	AUD 10,000	-	-	100	100	-	-
Centurion Student Services Pty Ltd ^{(d),(r)}	Provide management services and student accommodation services	Australia	AUD 100,000	-	-	100	100	-	-
Centurion Overseas Investments (II) Pte Ltd ^{(a),(r)}	Investment holding	Singapore	SGD 100,000	-	-	100	-	-	-
Centurion SA Investments Pty Ltd ^(t)	Provision of trustee services	Australia	AUD 2	-	-	100	-	-	-
Centurion Investments (JS A) Ltd ^{(b),(t)}	Investment holding	Jersey	GBP 2	-	-	100	-	-	-

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2017 and 2016: (continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Centurion Adelaide Student Village Trust ^{(d),(u)}	Trust	Australia	AUD 10	-	-	100	-	-	-
Centurion Student Services (UK) Ltd ^{(g),(r)}	Provide management services and student accommodation services	United Kingdom	GBP 100,000	-	-	100	100	-	-
Centurion Investments (JS) Ltd ^{(g),(r)}	Property investments and provision of student accommodation	Jersey	GBP 700,000	-	-	100	100	-	-
Centurion Investments (JSI) Ltd ^{(g),(r)}	Property investments and provision of student accommodation	Jersey	GBP 100,000	-	-	100	100	-	-
Centurion Investments (JSII) Ltd ^{(g),(r)}	Property investments and provision of student accommodation	Jersey	GBP 200,000	-	-	100	100	-	-
Centurion Investments (JSIII) Ltd ^{(g),(r)}	Property investments and provision of student accommodation	Jersey	GBP 100,000	-	-	100	100	-	-
Centurion Investments (JSIV) Ltd ^{(g),(r)}	Property investments and provision of student accommodation	Jersey	GBP 100,000	-	-	100	100	-	-
Centurion Investments (JSV) Ltd ^{(g),(r)}	Property investments and provision of student accommodation	Jersey	GBP 100,000	-	-	100	100	-	-
Centurion Investments (JSVI) Ltd ^{(g),(r)}	Property investments and provision of student accommodation	Jersey	GBP 100,000	-	-	100	100	-	-

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20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2017 and 2016: (continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Centurion Accommodation Management Pte Ltd ^(a)	Business and management consultancy services and investment holding	Singapore	SGD 1	100	-	100	-	-	-
Centurion Student Investment Management Pte Ltd ^{(a),(v)}	Fund management activities	Singapore	SGD 1,000	-	-	100	-	-	-
Centurion Student Accommodation Trustee Pte Ltd ^{(a),(v)}	Provision of trustee services	Singapore	SGD 1,000	-	-	100	-	-	-
Dwell US Student Living LLC ^{(b),(v)}	Provide management services and student accommodation services	United States of America	USD 1,000	-	-	60	-	40	-

(a) Audited by PricewaterhouseCoopers LLP, Singapore

(b) Not required to be audited under the laws of the country of incorporation

(c) Audited by SBA Stone Forest CPA Co. Ltd

(d) Audited by Crowe Horwath, Australia

(e) Audited by KAP Y. Santosa & Rekan, Indonesia

(f) Audited by PricewaterhouseCoopers, Malaysia

(g) Audited by PricewaterhouseCoopers LLP, United Kingdom

(h) Holdings through SM Summit Holdings Pte Ltd

(i) Holdings through Advance Technology Investment Ltd

(j) Holdings through Summit Technology Australia Pty Ltd

(k) Holdings through Gate Cosmos Investments Ltd and SM Summit Holdings Pte Ltd

(l) Holdings through Centurion Dormitories Pte Ltd

(m) Holdings through Westlite Dormitory Investments Pte Ltd

(n) Holdings through Centurion Dormitories Holdings Pte Ltd

(o) Holdings through Westlite Dormitory (V Two) Pte Ltd and Gate Cosmos Investments Ltd

(p) Holdings through Centurion Dormitory Venture Pte Ltd

(q) Holdings through Centurion Dormitories Sdn Bhd

(r) Holdings through Centurion Overseas Investments Pte Ltd

(s) Holdings through Centurion Overseas Ventures Ltd

(t) Holdings through Centurion Overseas Investments (II) Pte Ltd

(u) Holdings through Centurion Overseas Investments (JS A) Ltd

(v) Holdings through Centurion Accommodation Management Pte Ltd

(w) In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries, joint ventures and associated companies would not compromise the standard and effectiveness of the audit of the Group.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Carrying value of non-controlling interests

	Group	
	2017	2016
	\$'000	\$'000
Centurion-Lian Beng (Papan) Pte. Ltd.	12,853	6,884
Dwell US Student Living LLC	(47)	-
	12,806	6,884

On 22 November 2017, the Group acquired 60% of the issued shares of Dwell US Student Living LLC for a purchase consideration of \$801. The carrying amount of the non-controlling interests in Dwell US Student Living LLC on the date of acquisition was \$539.

Summarised financial information of subsidiary with material non-controlling interest

Set out below is the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	Centurion-Lian Beng (Papan) Pte Ltd As at 31 December	
	2017	2016
	\$'000	\$'000
Current		
Assets	12,773	8,208
Liabilities	(23,559)	(23,685)
Total current net liabilities	(10,786)	(15,477)
Non-current		
Assets	201,956	201,159
Liabilities	(164,939)	(171,633)
Total non-current net assets	37,017	29,526
Net assets	26,231	14,049

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Carrying value of non-controlling interests

Summarised statement of comprehensive income

	Centurion-Lian Beng (Papan) Pte Ltd As at 31 December	
	2017 \$'000	2016 \$'000
Revenue	25,888	5,769
Profit before income tax	14,147	12,457
Income tax expense	(1,965)	-
Profit after tax and total comprehensive income	12,182	12,457
Total comprehensive income allocated to non-controlling interests	5,969	6,104

No dividends were paid to non-controlling interests during the current and prior financial years.

Summarised cash flows

	Centurion-Lian Beng (Papan) Pte Ltd As at 31 December	
	2017 \$'000	2016 \$'000
Net cash provided by operating activities	18,186	9,033
Net cash used in investing activities	(715)	(45,070)
Net cash (used in)/provided by financing activities	(12,357)	35,179
Net increase/(decrease) in cash and bank deposits	5,114	(858)
Cash and bank deposits at the beginning of financial year	7,132	7,990
Cash and bank deposits at end of financial year	12,246	7,132

21. INVESTMENT PROPERTIES

	Group	
	2017 \$'000	2016 \$'000
Beginning of financial year	927,406	891,471
Currency translation differences	5,199	(32,432)
Additions to investment properties	21,716	79,644
Over provision of construction costs	(1,360)	(2,202)
Net fair value losses recognised in profit or loss	(616)	(3,121)
Transferred to assets held for sale (Note 17)	-	(5,954)
End of financial year	952,345	927,406

Investment properties are leased to non-related parties under operating leases (Note 33(c)).

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. INVESTMENT PROPERTIES (CONTINUED)

Certain investment properties and assets held for sale are pledged as security for the bank facilities extended to subsidiaries (Note 25(a)). The carrying values of these investment properties and assets held for sale (Note 17) amounted to approximately \$946,696,000 (2016: \$927,580,000).

The following amounts are recognised in profit or loss:

	Group	
	2017	2016
	\$'000	\$'000
Rental income (Note 4)	125,915	110,119
Direct operating expenses arising from:		
- Investment properties that generated rental income and service charges	(45,768)	(42,144)
- Investment properties that do not generate rental income	(98)	(13)

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description	Existing use	Tenure	Unexpired term of lease
Toh Guan Road, Singapore	8 blocks of workers dormitory	Commercial dormitory	Leasehold	40 years
Tuas South Ave 9, Singapore	8 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	1 month
Woodlands Avenue 10, Singapore	Two 13-storey blocks of workers dormitory	Commercial dormitory	Leasehold	26 years
Jalan Papan, Singapore	2 blocks of workers dormitory	Commercial dormitory	Leasehold	20 years
Johor Technology Park, Malaysia	5 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	94 years
Tebrau, Malaysia	2 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	43 years
Pasir Gudang, Malaysia	4 blocks of workers dormitory	Commercial dormitory	Leasehold	68 years
Tampoi, Malaysia	3 blocks of workers dormitory	Commercial dormitory	Freehold	-
Senai, Malaysia	2 blocks of workers dormitory	Commercial dormitory	Freehold	-
Senai II, Malaysia	4 blocks of workers dormitory	Commercial dormitory	Freehold	-
Bukit Minyak Penang, Malaysia	Under construction	Commercial dormitory	Freehold	-
Shanghai Huade, China	Industrial factory building	Factory rental	Leasehold	36.5 years
RMIT Village Student Accommodation Melbourne, Australia	456 bedrooms of accommodation	Student accommodation	Freehold	-

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. INVESTMENT PROPERTIES (CONTINUED)

Location	Description	Existing use	Tenure	Unexpired term of lease
RMIT Village Car Park Site Melbourne, Australia	Commercial car park	Commercial car park	Freehold	-
Manchester Student Village, Manchester, United Kingdom	Two 9-storey blocks and a 7-storey block	Student accommodation	Freehold	-
Manchester Student Village South, Manchester, United Kingdom	7 blocks with 8 clusters in each block and 4 blocks with 6 or 8 clusters in each block	Student accommodation	Freehold	-
The Grafton, Manchester, United Kingdom	1 block with 55 flats	Student accommodation	Freehold	-
Cathedral Campus, Liverpool, United Kingdom	Eighty seven 3-storey houses arranged in 14 terraced blocks around 3 courtyard areas	Student accommodation	Leasehold	240 years
Garth Heads, Newcastle, United Kingdom	4 blocks consisting of 34 flats with 185 beds	Student accommodation	Leasehold	103 years
Hotwells House, Bristol, United Kingdom	4 blocks consisting of 40 flats with 157 beds	Student accommodation	Leasehold	117 years
Weston Court, Manchester, United Kingdom	4 blocks consisting of flats with 140 beds	Student accommodation	Leasehold	117 years
Port Hedland, Australia	Land	Industrial	Freehold	-
Jl, Wareng Kali Jambe Lambang Sari Village Sub district of Tambun Bekasi, West Java	Land	Residential	Leasehold	26 years
12 - 18 Synagogue Place Adelaide, South Australia	Under construction	Student accommodation	Freehold	-

Fair value hierarchy - Recurring fair value measurements

Description	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$'000	\$'000	\$'000
31 December 2017			
Investment properties:			
- Land and industrial property	-	-	7,319
- Commercial dormitories	-	-	639,230
- Student accommodation	-	-	305,796
- Assets held for sale (Note 17)	-	-	5,472
31 December 2016			
Investment properties:			
- Land and industrial property	-	-	5,773
- Commercial dormitories	-	-	636,571
- Student accommodation	-	-	285,062
- Assets held for sale (Note 17)	-	-	5,954

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. INVESTMENT PROPERTIES (CONTINUED)

Reconciliation of movements in Level 3 fair value measurement

	Land, industrial property and commercial dormitories \$'000	Student accommodation \$'000	Assets held for sale (Note 17) \$'000
31 December 2017			
Beginning of financial year	642,344	285,062	5,954
Currency translation differences	1,790	3,409	122
(Losses)/gains recognised in profit or loss	(2,610)	1,994	(604)
Additions and subsequent expenditure on investment property	6,385	15,331	-
Over provision of construction cost	(1,360)	-	-
End of financial year	646,549	305,796	5,472
31 December 2016			
Beginning of financial year	647,827	243,644	-
Currency translation differences	(1,650)	(30,782)	-
(Losses)/gains recognised in profit or loss	(32,436)	29,315	-
Additions and subsequent expenditure on investment property	34,185	45,459	-
Over provision of construction cost	(2,202)	-	-
Transfers to assets held for sale (Note 17)	(3,380)	(2,574)	5,954
End of financial year	642,344	285,062	5,954

There were no changes in valuation techniques in the prior financial year.

During the financial year, management changed the valuation techniques for selected investment properties and assets held for sale. Management has assessed that the change in valuation technique ensures consistency in the valuation across the investment properties in the different geographical locations and better reflects the fair value measurement of the properties. The change in valuation techniques and the key unobservable inputs are included within this note for investment properties and assets held for sale (Note 17). The change in valuation technique has not resulted in a material impact on the valuation of the investment properties.

The changes in valuation techniques are summarised in the table below.

Country	Description	Valuation technique for the year ended 31 December 2016	Valuation technique for the year ended 31 December 2017
Singapore	Commercial dormitories	Discounted cash flow approach and income capitalisation approach	Investment approach/Income capitalisation approach
People's Republic of China	Industrial property	Sales comparison approach	Investment approach
Malaysia	Commercial dormitories and assets held for sale	Discounted cash flow approach and cost approach	Investment approach and sales comparison approach
Australia	Student accommodation	Discounted cash flow approach	Investment approach

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurement

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and assets held for sale (Note 17) categorised under Level 3 of the fair value hierarchy:

Country	Description	Fair value at 31 December 2017 (\$'000)	Valuation technique	Unobservable inputs ^(a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Singapore	Commercial dormitories	563,000 (2016: 572,000)	Discounted cash flow approach	Discount rate	Not applicable (2016: 7.5%)	The higher the discount rate, the lower the valuation
				Rental rate per room per month	\$2,400 - \$7,040 (2016: \$2,640 - \$7,040)	The higher the rental rate per room per month, the higher the valuation
				Investment approach/ Income capitalisation approach	Capitalisation rate 6.75% - 7.50% (2016: 6.5% - 7%)	The higher the capitalisation rate, the lower the valuation
Indonesia	Land	1,426 (2016: 1,087)	Sales comparison approach	Market value per square metre	\$190 - \$200 (2016: \$150 - \$155)	The higher the market value per square metre, the higher the valuation
People's Republic of China	Industrial property	5,142 (2016: 3,922)	Sales comparison approach	Market value per square metre	Not applicable (2016: \$380 - \$390)	The higher the market value per square metre, the higher the valuation
				Investment approach	Rental rate per square metre per month \$5 - \$6 (2016: Not applicable)	The higher the rental rate per square metre, the higher the valuation
				Capitalisation rate	5.0% - 6.0% (2016: Not applicable)	The higher the capitalisation rate, the lower the valuation

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21. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurement (continued)

Country	Description	Fair value at 31 December 2017 (\$'000)	Valuation technique	Unobservable inputs ^(a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Malaysia	Commercial dormitories	76,230 (2016: 64,571)	Discounted cash flow approach	Discount rate	Not applicable (2016: 7.5% - 9%)	The higher the discount rate, the lower the valuation
	Assets held for sale (Note 17)	3,469 (2016: 3,380)		Rental rate per room per month	\$500 - \$865 (2016: \$500 - \$900)	The higher the rental rate per room per month, the higher the valuation
			Cost approach	Market price per square metre	Not applicable (2016: \$160 - \$165)	The higher the market price per square metre, the higher the valuation
				Depreciated replacement costs	\$8.5 million to \$8.6 million (2016: \$3.4 million to \$3.5 million)	The higher the depreciated replacement costs, the higher the valuation
			Investment approach	Capitalisation rate	9.5% - 10.5% (2016: Not applicable)	The higher the capitalisation rate, the lower the valuation
			Sales comparison approach	Market value per square metre	\$160 - \$190 (2016: Not applicable)	The higher the market value per square metre, the higher the valuation
Australia	Land	751 (2016: 764)	Sales comparison approach	Market price per square metre	\$160 - \$170 (2016: \$170 - \$180)	The higher the market price per square metre, the higher the valuation
United Kingdom	Student accommodation	220,312 (2016: 208,604)	Investment approach	Applied yield rate/ capitalisation rate	6.0% - 8.5% (2016: 6.25% - 8.26%)	The higher the yield rate, the lower the valuation
	Assets held for sale (Note 17)	2,003 (2016: 2,574)		Rental rate per room per week	\$155 - \$400 (2016: \$160 - \$400)	The higher the rental rate per room per week, the higher the valuation

Notes To The Financial Statements

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21. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurement (continued)

Country	Description	Fair value at 31 December 2017 (\$'000)	Valuation technique	Unobservable inputs ^(a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Australia	Student accommodation	85,484 (2016: 76,458)	Discounted cash flow approach	Discount rate	Not applicable (2016: 10.95%)	The higher the discount rate, the lower the valuation
			Investment approach	Rental rate per room per week	\$300 - \$500 (2016: \$300 - \$495)	The higher the rental rate per room per week, the higher the valuation
				Capitalisation rate	6.7% (2016: Not applicable)	The higher the capitalisation rate, the lower the valuation
			Sales comparison approach	Market value per square metre	\$4,500 - \$10,300 (2016: Not applicable)	The higher the market value per square metre, the higher the valuation

(a) There were no significant inter-relationships between unobservable inputs.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year based on the properties highest and best use. As at 31 December 2017, the fair values of the properties have been determined by Knight Frank Petty Limited.

At each financial year, the investment and finance department of the Group together with the Group Chief Executive Officer:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports;
- holds discussions with the independent valuers and;
- analyses the reasons for the fair value movements.

Changes in Level 3 fair values are analysed at each reporting date.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group *(continued)*

Discounted cash flow approach involves the discounting of future net income flows at an appropriate required rate of return applicable to that class of property to obtain the net present value. The net income is derived by deducting from the gross income, outgoings such as operating expenses and property tax, and after making allowances for vacancies.

Income capitalisation and investment approach involve capitalising the net income at an appropriate capitalisation rate to arrive at the fair value. The net income is derived by deducting gross rentals and other income, outgoings such as operating expenses and property tax, and after making allowances for vacancies.

Cost approach involves separately determining the values of the land and building and a summation of these values is taken to be the fair value of the property. The value of the land is arrived at by the comparison approach in which it takes reference to transactions of similar lands in the surrounding with adjustments made for any differences. The buildings are valued by reference to their depreciated replacement cost. It is determined by taking current replacement cost of the building as new and allowing for depreciation for obsolescence.

Sales comparison approach involves using the values of sale prices of comparable properties and comparing it directly to the subject property. Allowances are made for difference in the properties including land size, improvements and location. The most significant input into this valuation approach is selling price per metre.

The estimated costs to completion for investment property under construction are estimated by management using the budgets developed internally by the Group based on management's experience and knowledge of market conditions.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building \$'000	Leasehold improvements \$'000	Plant, machinery and equipment \$'000	Renovation, furniture and fittings \$'000	Motor vehicles \$'000	Office equipment and computers \$'000	Capital work-in- progress \$'000	Total \$'000
Group								
2017								
<i>Cost</i>								
Beginning of financial year	666	1,525	5,933	7,750	348	1,302	313	17,837
Adjustments	-	-	-	(40)	-	-	-	(40)
Currency translation differences	17	-	32	72	(3)	3	-	121
Additions	-	-	532	1,479	193	128	597	2,929
Disposals	-	-	(3,027)	(1,092)	(26)	(347)	-	(4,492)
Transfer from/ (to) capital work-in-progress	-	-	86	753	-	58	(897)	-
End of financial year	683	1,525	3,556	8,922	512	1,144	13	16,355
<i>Accumulated depreciation</i>								
Beginning of financial year	4	253	2,986	3,414	106	444	-	7,207
Currency translation differences	-	-	21	50	(2)	1	-	70
Disposals	-	-	(2,982)	(1,026)	(26)	(342)	-	(4,376)
Depreciation charge (Note 5)	4	198	708	1,722	94	394	-	3,120
End of financial year	8	451	733	4,160	172	497	-	6,021
<i>Accumulated impairment</i>								
Beginning of financial year	-	-	1,308	-	54	-	-	1,362
Currency translation differences	-	-	-	-	(1)	-	-	(1)
Impairment during the year	-	-	14	-	-	-	-	14
End of financial year	-	-	1,322	-	53	-	-	1,375
Net book value								
End of financial year	675	1,074	1,501	4,762	287	647	13	8,959

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land and building \$'000	Leasehold land and building \$'000	Leasehold improvements \$'000	Plant, machinery and equipment \$'000	Renovation, furniture and fittings \$'000	Motor vehicles \$'000	Office equipment and computers \$'000	Capital work-in-progress \$'000	Total \$'000
Group 2016									
<i>Cost</i>									
Beginning of financial year	-	1,770	1,479	5,232	5,830	484	942	665	16,402
Adjustments	-	431	-	261	-	-	-	-	692
Currency translation differences	-	80	-	(57)	(162)	-	(3)	(15)	(157)
Additions	-	-	46	680	2,257	278	637	558	4,456
Disposals	-	-	-	(178)	(385)	(414)	(298)	-	(1,275)
Transfer from/ (to) capital work-in-progress	666	-	-	(5)	210	-	24	(895)	-
Transfer to assets held for sale (Note 17)	-	(2,281)	-	-	-	-	-	-	(2,281)
End of financial year	666	-	1,525	5,933	7,750	348	1,302	313	17,837
<i>Accumulated depreciation</i>									
Beginning of financial year	-	264	58	844	2,246	264	309	-	3,985
Adjustments	-	431	-	1,573	-	-	-	-	2,004
Currency translation differences	-	26	-	(27)	(83)	5	2	-	(77)
Disposals	-	-	-	(110)	(253)	(257)	(267)	-	(887)
Depreciation charge (Note 5)	4	139	195	706	1,504	94	400	-	3,042
Transfer to assets held for sale (Note 17)	-	(860)	-	-	-	-	-	-	(860)
End of financial year	4	-	253	2,986	3,414	106	444	-	7,207
<i>Accumulated impairment</i>									
Beginning of financial year	-	-	-	2,620	-	61	27	-	2,708
Adjustments	-	-	-	(1,312)	-	-	-	-	(1,312)
Currency translation differences	-	-	-	-	-	1	1	-	2
Disposals	-	-	-	-	-	(8)	(28)	-	(36)
End of financial year	-	-	-	1,308	-	54	-	-	1,362
Net book value									
End of financial year	662	-	1,272	1,639	4,336	188	858	313	9,268

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant, machinery and equipment \$'000	Renovation, furniture and fittings \$'000	Motor vehicles \$'000	Office equipment and computers \$'000	Total \$'000
Company					
2017					
<i>Cost</i>					
Beginning of financial year	6	879	820	762	2,467
Additions	-	510	171	96	777
Disposal	-	-	(450)	-	(450)
End of financial year	6	1,389	541	858	2,794
<i>Accumulated depreciation</i>					
Beginning of financial year	6	864	780	614	2,264
Depreciation charge	-	21	38	84	143
Disposal	-	-	(450)	-	(450)
End of financial year	6	885	368	698	1,957
Net book value					
End of financial year	-	504	173	160	837
2016					
<i>Cost</i>					
Beginning of financial year	6	879	820	676	2,381
Additions	-	-	-	86	86
End of financial year	6	879	820	762	2,467
<i>Accumulated depreciation</i>					
Beginning of financial year	6	857	747	538	2,148
Depreciation charge	-	7	33	76	116
End of financial year	6	864	780	614	2,264
Net book value					
End of financial year	-	15	40	148	203

- (a) At the balance sheet date, the net book value of property, plant and equipment of the Group under finance lease agreements amounted to \$174,000 (2016: \$62,600) (Note 25(c)).

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) The leasehold land and building of the Group as at 31 December 2017 comprise:

Location	Tenure	Use of property
Indonesia MM 2100 Industrial Town Jl. Bali Blok HI-1 Cibitung Bekasi 17520	19 years lease from 30 September 2004, with an option to extend for a further 20 years	Industrial factory building
Indonesia Royal Palace Shophouse Complex, Block C No.15, Jl. Prof. Dr. Seopomo SH No.178A, Tebet, South Jakarta	16 years lease from 27 July 2004	Office

The above properties have been reclassified as assets held for sale (Note 17) as at 31 December 2016 and will remain in assets held for sale until the completion of the sale.

(c) The freehold land and building of the Group as at 31 December 2017 comprise:

Location	Use of property
Malaysia No. 17, Jalan Ekoperniagaan 1/23 Taman Ekoperniagaan 81100 Johor Bahru, Johor	Office

23. INTANGIBLE ASSETS

Composition:

Goodwill arising on consolidation (Note (a))
Favourable lease agreement (Note (b))

Group	
2017	2016
\$'000	\$'000
-	207
-	1,649
-	1,856

(a) Goodwill arising on consolidation

Cost
Beginning and end of financial year

Accumulated impairment
Beginning of financial year
Impairment charge
End of financial year

Net book value

Group	
2017	2016
\$'000	\$'000
13,238	13,238
13,031	13,031
207	-
13,238	13,031
-	207

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23. INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill arising on consolidation (continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to the individual entity and business segment.

A summary of the goodwill allocation and key assumptions used for value-in-use calculations are as follows:

Cash-generating unit ("CGU")	2017 \$'000	2016 \$'000	Growth rate		Discount rate	
			2017	2016	2017	2016
Dormitory accommodation						
Westlite Dormitory (Tebrau)						
Sdn Bhd	-	207	-	5%	-	9%

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a ten-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated above which is based on management's expectations of the market development. The discount rates applied to the cash flow projections were pre-tax and reflected a reasonable risk premium at the date of the assessment of the CGU.

An impairment charge of \$207,000 was recognised in 2017 as the recoverable amount based on value-in-use calculations is below the carrying amount.

(b) Favourable lease agreement

	Group	
	2017 \$'000	2016 \$'000
<i>Cost</i>		
Beginning and end of financial year	25,521	25,521
<i>Accumulated amortisation</i>		
Beginning of financial year	23,872	18,933
Amortisation charge	1,649	4,939
End of financial year	25,521	23,872
Net book value	-	1,649

(c) Amortisation expense included in the consolidated income statement is analysed as follows:

	Group	
	2017 \$'000	2016 \$'000
Cost of sales (Note 5)	1,649	4,939

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade payables to:				
- non-related parties	3,605	1,827	821	32
- associated companies	186	120	-	-
	3,791	1,947	821	32
Non-trade payables to:				
- associated companies	563	1,789	-	-
- subsidiaries	-	-	5,069	5,403
Advanced rental	6,098	5,214	-	-
Deferred income	158	176	-	-
Deposits received	13,309	17,341	-	-
Accruals for operating expenses	12,371	11,622	5,003	3,449
Accrued construction costs payable	5,941	7,165	-	-
Other payables	2,513	1,993	545	594
Total trade and other payables	44,744	47,247	11,438	9,478

Non-trade payables to subsidiaries and associated companies are unsecured, interest free and repayable on demand.

At 31 December 2016 and 2017, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date were as follows:

	Group	
	2017 \$'000	2016 \$'000
Up to 3 months	3,025	1,587
3 to 6 months	358	21
Over 6 months	408	339
	3,791	1,947

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25. BORROWINGS

Current

Bank borrowings (Note (a))
Finance lease liabilities (Note (c) and Note 26)
Notes payables (Note (b))
Less: Transaction costs

Interest payable

Non-current

Bank borrowings (Note (a))
Finance lease liabilities (Note (c) and Note 26)
Loan from non-controlling interests (Note (e))
Loan from an associated company (Note (d))
Loan from a subsidiary (Note (e))
Notes payables (Note (b))
Less: Transaction costs

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Bank borrowings (Note (a))	40,300	38,007	5,254	-
Finance lease liabilities (Note (c) and Note 26)	35	26	10	-
Notes payables (Note (b))	64,750	-	64,750	-
Less: Transaction costs	(96)	-	(96)	-
	64,654	-	64,654	-
Interest payable	2,541	1,571	2,541	1,571
	107,530	39,604	72,459	1,571
Bank borrowings (Note (a))	407,604	501,313	-	-
Finance lease liabilities (Note (c) and Note 26)	9	34	-	-
Loan from non-controlling interests (Note (e))	6,370	4,900	-	-
Loan from an associated company (Note (d))	46,635	50,080	-	-
Loan from a subsidiary (Note (e))	-	-	-	70,000
Notes payables (Note (b))	85,000	64,750	85,000	64,750
Less: Transaction costs	(510)	(283)	(510)	(283)
	84,490	64,467	84,490	64,467
	545,108	620,794	84,490	134,467
Total borrowings	652,638	660,398	156,949	136,038

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
- not later than one year	107,530	39,604	72,459	1,571
- between one to five years	298,059	284,051	84,490	64,467
- after five years	247,049	336,743	-	70,000
	652,638	660,398	156,949	136,038

At December 2016 and 2017, the Group's and Company's bank borrowings were repayable as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Within one year	40,300	38,007	5,254	-
Between one and two years	36,301	38,275	-	-
Between two and five years	154,632	162,321	-	-
After five years	216,671	300,717	-	-
	447,904	539,320	5,254	-

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25. BORROWINGS (CONTINUED)

At December 2016 and 2017, the Group's and the Company's other loans were repayable as follows:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Within one year	67,230	1,597	67,205	1,571
Between one and two years	3,455	67,936	-	64,467
Between two and five years	103,671	15,519	84,490	-
After five years	30,378	36,026	-	70,000
	204,734	121,078	151,695	136,038

(a) Bank borrowings

The interest on the bank borrowings are calculated based on their floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

Total borrowings include secured liabilities of \$447,948,000 (2016: \$539,380,000) for the Group. These borrowings are secured over certain bank deposits (Note 12), investment properties (Note 21) and assets held for sale (Note 17).

(b) Notes payables

In 2016, the Company refreshed its S\$500 million Multicurrency Medium Term Note ("MTN") programme established on 6 September 2013.

Pursuant to the MTN Programme updated on 7 October 2016, the Company issued S\$65,000,000 5.25 per cent. notes due 2020 ("2020 Tranche 001 Notes") on 12 April 2017. The net proceeds from the 2020 Tranche 001 Notes have been fully utilized for the repayment of loan facilities extended by DBS Bank Ltd.

Pursuant to the MTN Programme updated on 7 October 2016, the Company issued S\$20,000,000 5.25 per cent. notes due 2020 to be consolidated and form a single series with the existing Tranche 001 2020 Notes on 19 May 2017.

As at 31 December 2017, the Group is in compliance with all relevant financial covenants and the borrowings have been classified and presented appropriately based on the agreed terms.

The Group is in a net current liability position of \$50.3 million as at 31 December 2017. The Group's net current liability position mainly arose from the reclassification of note payable of \$64.8 million from non-current liability to current liability as the amount was due for repayment on July 2018.

At the date of the report for the year ended 31 December 2017, the available credit facilities of \$163.8 million included undrawn credit facilities for the construction of investment properties and general investment purposes of \$64.1 million as well as \$65 million that can be drawn to refinance the notes maturing on July 2018. The available credit facilities would have adequately allowed the Group to repay its debt as and when they fall due.

(c) Finance lease liabilities

The finance lease liabilities are secured on certain property, plant and equipment purchased under finance leases of the Group (Note 22(a)). The Group's weighted average effective interest rate of finance lease liabilities at the balance sheet date is 2.75% (2016: 2.80%) per annum. The carrying amounts of the finance lease liabilities approximated their fair values.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25. BORROWINGS (CONTINUED)

(d) Loan from an associated company

The loan from an associated company is unsecured with fixed repayment terms.

The interest on the loan from an associated company is calculated based on the floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

(e) Loan from a subsidiary and loan from non-controlling interests

The loan from a subsidiary and loan from non-controlling interests are unsecured with no fixed terms of repayment and repayment has been agreed to not be within the next twelve months. The interest on the loan from a subsidiary and loan from non-controlling interests are calculated based on the floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

(f) Fair value of current and non-current borrowings

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Notes payables	152,744	64,543	152,744	64,543

The fair values are within Level 2 of the fair value hierarchy. The fair values of the notes payables are based on indicative mid-market prices obtained from the bank.

26. FINANCE LEASE LIABILITIES

	Group	
	2017 \$'000	2016 \$'000
Minimum lease payments due:		
– Not later than one year	37	28
– Between one and five years	10	37
Less: Future finance charges	(3)	(5)
Present value of finance lease liabilities	44	60

The present value of finance lease liabilities are analysed as follows:

Not later than one year (Note 25)	35	26
Later than one year (Note 25)		
– Between one and five years	9	34
Total	44	60

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27. OTHER LIABILITIES

	Group	
	2017	2016
	\$'000	\$'000
<i>Current</i>		
Provision for post-employment benefits (Note(b))	-	-
Provision for reinstatement costs	879	286
	879	286
<i>Non-current</i>		
Provision for long service leave (Note (a))	42	30
Provision for reinstatement costs	39	22
Accrued rental expenses	366	448
	447	500

(a) The movement in provision for long service leave during the financial year is as follows:

	Group	
	2017	2016
	\$'000	\$'000
Beginning of financial year	30	33
Currency translation differences	-	1
Provision made/(reversed)	12	(4)
End of financial year	42	30

(b) The movement in provision for post-employment benefits which is an unfunded defined post-employment benefit plan during the financial year is as follows:

	Group	
	2017	2016
	\$'000	\$'000
Beginning of financial year	-	113
Currency translation differences	-	1
Provision made (Note 9)	-	12
Paid during the financial year	-	(126)
End of financial year	-	-

Provision for post-employment benefits on an unfunded defined benefit plan is estimated based on the applicable labor law and regulation following the cessation of the Group's Indonesian optical disc manufacturing operations.

(c) Carrying amounts and fair values

At the balance sheet date, the carrying amounts of the other non-current liabilities approximated their fair values.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

28. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Deferred income tax liabilities:				
- to be settled within one year	364	850	26	3
- to be settled after more than one year	3,731	493	21	20
	4,095	1,343	47	23
Deferred income tax assets:				
- to be recovered after more than one year	-	(4)	-	-

Movement in the deferred income tax account is as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,339	2,363	23	27
Currency translation differences	3	(16)	-	-
Charged/(credited) to profit or loss (Note 10(a))	2,753	(1,008)	24	(4)
End of financial year	4,095	1,339	47	23

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of \$7,552,000 (2016: \$7,970,000) and capital allowances of \$399,000 (2016: \$941,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Amortisation of intangible asset	Fair value gain-net	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Beginning of financial year	570	312	742	(159)	1,465
Currency translation differences	1	-	(4)	-	(3)
Charged/(credited) to profit or loss	85	(312)	2,822	159	2,754
End of financial year	656	-	3,560	-	4,216

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

28. DEFERRED INCOME TAXES (CONTINUED)

Group (continued)

Deferred income tax liabilities (continued)

	Accelerated tax depreciation \$'000	Amortisation of intangible asset \$'000	Fair value gain-net \$'000	Others \$'000	Total \$'000
2016					
Beginning of financial year	671	1,152	839	(160)	2,502
Currency translation differences	2	-	(16)	-	(14)
(Credited)/charged to profit or loss	(103)	(840)	(81)	1	(1,023)
End of financial year	570	312	742	(159)	1,465

Deferred income tax assets

	Provisions \$'000
2017	
Beginning of financial year	(126)
Currency translation differences	6
Credited to profit or loss	(1)
End of financial year	(121)
2016	
Beginning of financial year	(139)
Currency translation differences	(2)
Charged to profit or loss	15
End of financial year	(126)

Company

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Total \$'000
2017		
Beginning of financial year	23	23
Charged to profit or loss	24	24
End of financial year	47	47
2016		
Beginning of financial year	27	27
Credited to profit or loss	(4)	(4)
End of financial year	23	23

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

29. SHARE CAPITAL AND TREASURY SHARES

	Group and Company No. of ordinary shares		Group		Company	
			← Amount →			
	Issued share capital '000	Treasury shares '000	Share Capital \$'000	Treasury shares \$'000	Share capital \$'000	Treasury shares \$'000
2017						
Beginning of financial year	756,873	(16,909)	89,837	(6,498)	201,148	(6,498)
Issuance of shares pursuant to warrants exercised	67,355	-	33,677	-	33,677	-
Issuance of shares pursuant to share offering	36,000	-	19,759	-	19,759	-
Share issue expenses	-	-	(1,031)	-	(1,031)	-
Treasury shares purchased	-	(2,541)	-	(1,119)	-	(1,119)
Cancellation of treasury shares	(19,450)	19,450	-	7,617	-	7,617
End of financial year	840,778	-	142,242	-	253,553	-
2016						
Beginning of financial year	756,873	(5,071)	89,837	(2,107)	201,148	(2,107)
Treasury shares purchased	-	(11,838)	-	(4,391)	-	(4,391)
End of financial year	756,873	(16,909)	89,837	(6,498)	201,148	(6,498)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

On 1 August 2011, the Company completed the acquisition of Westlite Dormitory (Toh Guan) Pte Ltd (then known as Centurion Dormitory (Westlite) Pte Ltd) ("Transaction"). The acquisition was accounted for as a reverse acquisition in accordance with FRS 103 Business Combinations. Consequently, the Group's share capital amount differs from that of the Company. More information on the Transaction and the accounting can be found in the Company's published financial statements for the financial year ended 31 December 2011.

On 12 December 2017, the Company issued 36,000,000 ordinary shares for a total consideration of \$19,759,248 for cash to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of one warrant for every ten existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.50 for each ordinary share. Each warrant may be exercised at any time during the period of four years commencing on and including the date of issue of the warrants and expiring on the fourth anniversary of the date of issue of the warrants.

The Company had received net proceeds of \$406,249 in relation to the issuance of new shares pursuant to warrants exercised in the previous financial years.

During the financial year, additional 67,354,886 warrants were exercised and correspondingly the Company issued 67,354,886 new shares and received the proceeds of \$33,677,443.

The remaining 7,437,848 unexercised warrants were expired at 5:00 p.m. on 27 October 2017.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

29. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(a) Treasury shares

The Company acquired 2,540,700 (2016: 11,837,500) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was \$1,119,000 (2016: \$4,391,000) and this was presented as a component within shareholders' equity.

The Company cancelled 19,449,600 treasury shares amounting to \$7,617,000 during the financial year.

30. OTHER RESERVES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(a) <u>Composition</u>				
Fair value reserve	(86)	12	64	162
Currency translation reserve	(35,626)	(38,401)	-	-
Capital reserve	17,095	17,095	-	-
	(18,617)	(21,294)	64	162
(b) <u>Movements</u>				
(i) Fair value reserve				
Beginning of financial year	12	34	162	184
Fair value losses on available-for-sale financial assets (Note 16)	(29)	(22)	(29)	(22)
Reclassification to profit or loss on disposal	(69)	-	(69)	-
End of financial year	(86)	12	64	162
(ii) Currency translation reserve				
Beginning of financial year			(38,401)	(19,465)
Net exchange differences on translation of financial statements of foreign subsidiaries and associated companies			2,775	(18,936)
End of financial year			(35,626)	(38,401)
(iii) Capital reserve				
Beginning and end of financial year			17,095	17,095

In 2011, the consolidated financial statements of the Group represent the continuation of Westlite Dormitory (Toh Guan) Pte. Ltd. ("Westlite") accounts, which included a shareholder loan accounted for as "Other liabilities" in Westlite's accounts for the year ended 31 December 2010. The novation of the loan from Westlite's former shareholder to Westlite's new shareholder (Centurion Corporation Limited) means that the loan is effectively settled in the consolidated financial statements of the Group, recognised under "capital reserve" of the Group.

Other reserves are non-distributable.

Notes To The Financial Statements

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31. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for the amount of \$nil (2016: \$6,498,000) utilised to purchase treasury shares and accumulated retained profits of associated companies amounting to \$76,972,000 (2016: \$75,799,000) which are included in the Group's retained profits.
- (b) Movement in retained profits for the Company is as follows:

	Company	
	2017	2016
	\$'000	\$'000
Beginning of financial year	15,487	12,202
Net profit	27,638	18,161
Dividends paid (Note 32)	(15,356)	(14,876)
Cancellation of treasury shares	(7,617)	-
End of financial year	20,152	15,487

32. DIVIDENDS

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<i>Ordinary dividends paid</i>				
Interim exempt dividend paid in respect of current financial year of 1.0 cent (2016: 1.0 cent) per share	7,957	7,400	7,957	7,400
Final exempt dividend paid in respect of the previous financial year of 1.0 cent (2016: 1.0 cent) per share	7,399	7,476	7,399	7,476
	15,356	14,876	15,356	14,876

At the Annual General Meeting on 27 April 2018, a final dividend of 1.0 cent (2016: 1.0 cent) per share amounting to a total of \$8,408,000 (2016: \$7,399,000) and a special dividend of 0.5 cent (2016: nil) amounting to a total of \$4,204,000 will be recommended.

These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2018.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies (Note 19), are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Property, plant and equipment	18	199
Investment properties	85,053	23,720

(b) Operating lease commitments - where the Group is a lessee

The Group leases various buildings under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Not later than one year	5,333	5,822	520	520
Between one and five years	29,990	19,399	455	975
Later than five years	53,865	35,325	-	-
	89,188	60,546	975	1,495

(c) Operating lease income commitments - where the Group is a lessor

Operating lease income commitments are mainly for the investment properties of the Group. The lease rental income terms are negotiated for an average term of 12 months.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Not later than one year	64,009	77,353	132	132
Between one and five years	7,789	18,581	115	247
More than five years	8,145	8,685	-	-
	79,943	104,619	247	379

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

33. COMMITMENTS (CONTINUED)

(d) Corporate guarantees

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to associated companies amounting to \$76,202,000 (2016: \$79,614,000). As at 31 December 2017, the amount of the guaranteed loans drawn down by associated companies amounted to \$76,202,000 (2016: \$79,614,000).

The Company has provided corporate guarantees in favour of financial institutions in respect of facilities granted to subsidiaries and associated companies amounting to \$516,791,000 (2016: \$560,738,000). As at 31 December 2017, the amount of the guaranteed loans drawn down by the subsidiaries and associated companies amounted to \$461,558,000 (2016: \$556,551,000).

As at 31 December 2017, the fair value of the corporate guarantee was insignificant.

Except for the corporate guarantees disclosed above, the Group and the Company did not have any other contingent liabilities as at end of current and prior financial years.

(e) Continuing financial support

The Company has provided an undertaking to provide continuing financial support to certain subsidiaries, to enable the subsidiaries to meet their obligations as and when they fall due.

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

Financial risk management is carried out by management in accordance with the policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Malaysia, Indonesia, Australia, United Kingdom and the United States of America.

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), United States Dollar ("USD"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD"), Great Britain Pound ("GBP") and Hong Kong Dollar ("HKD"). In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Exposures to foreign currency risks are managed as far as possible by natural hedges and monitoring to ensure the exposure is minimised.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to management is as follows:

	SGD \$'000	USD \$'000	MYR \$'000	AUD \$'000	GBP \$'000	HKD \$'000	Other \$'000	Total \$'000
2017								
Financial assets								
Cash and bank balances	46,236	998	2,582	5,631	11,244	8,863	211	75,765
Available-for-sale financial assets	8,675	3,212	-	-	-	-	-	11,887
Trade and other receivables	6,421	3,261	1,910	1,685	350	4	1	13,632
Other financial assets	900	1,335	1,788	1,096	226	-	34	5,379
Inter-company balances	83,434	146	49,353	20,494	14,377	11	644	168,459
	<u>145,666</u>	<u>8,952</u>	<u>55,633</u>	<u>28,906</u>	<u>26,197</u>	<u>8,878</u>	<u>890</u>	<u>275,122</u>
Financial liabilities								
Trade and other payables	30,217	1,406	3,236	1,286	2,931	-	371	39,447
Borrowings	527,682	1,602	20,713	21,587	81,054	-	-	652,638
Inter-company balances	83,434	146	49,353	20,494	14,377	11	644	168,459
	<u>641,333</u>	<u>3,154</u>	<u>73,302</u>	<u>43,367</u>	<u>98,362</u>	<u>11</u>	<u>1,015</u>	<u>860,544</u>
Net financial (liabilities)/assets	(495,667)	5,798	(17,669)	(14,461)	(72,165)	8,867	(125)	(585,422)
Less: Net financial assets denominated in the respective entities' functional currencies	495,635	191	17,668	17,612	72,412	-	(74)	
Currency risk exposures	(32)	5,989	(1)	3,151	247	8,867	(199)	

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD \$'000	USD \$'000	MYR \$'000	AUD \$'000	GBP \$'000	Other \$'000	Total \$'000
2016							
Financial assets							
Cash and bank balances	57,667	1,858	1,691	11,822	9,041	466	82,545
Available-for-sale financial assets	2,174	-	-	-	-	-	2,174
Trade and other receivables	4,164	9	2,030	1,351	280	1	7,835
Other financial assets	742	-	1,762	-	245	34	2,783
Inter-company balances	114,850	677	21,210	10,544	11,602	2,583	161,466
	<u>179,597</u>	<u>2,544</u>	<u>26,693</u>	<u>23,717</u>	<u>21,168</u>	<u>3,084</u>	<u>256,803</u>
Financial liabilities							
Trade and other payables	(34,641)	(922)	(2,356)	(756)	(3,492)	(476)	(42,643)
Borrowings	(536,930)	-	(22,463)	(20,926)	(80,079)	-	(660,398)
Inter-company balances	(114,850)	(677)	(21,210)	(10,544)	(11,602)	(2,583)	(161,466)
	<u>(686,421)</u>	<u>(1,599)</u>	<u>(46,029)</u>	<u>(32,226)</u>	<u>(95,173)</u>	<u>(3,059)</u>	<u>(864,507)</u>
Net financial (liabilities)/ assets	(506,824)	945	(19,336)	(8,509)	(74,005)	25	(607,704)
Less: Net financial assets denominated in the respective entities' functional currencies	506,579	-	19,336	14,878	74,477	470	
Currency risk exposures	(245)	945	-	6,369	472	495	

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to management is as follows:

	SGD \$'000	USD \$'000	AUD \$'000	GBP \$'000	HKD \$'000	Other \$'000	Total \$'000
2017							
Financial assets							
Cash and bank balances	22,660	122	3,113	6	8,858	3	34,762
Available-for-sale financial assets	8,675	3,212	-	-	-	-	11,887
Trade and other receivables	41,200	126	47	13	5	-	41,391
Other financial assets	198	-	-	-	-	-	198
	<u>72,733</u>	<u>3,460</u>	<u>3,160</u>	<u>19</u>	<u>8,863</u>	<u>3</u>	<u>88,238</u>
Financial liabilities							
Trade and other payables	(11,438)	-	-	-	-	-	(11,438)
Borrowings	(155,347)	(1,602)	-	-	-	-	(156,949)
	<u>(166,785)</u>	<u>(1,602)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(168,387)</u>
Net financial (liabilities)/ assets	(94,052)	1,858	3,160	19	8,863	3	
Less: Net financial assets denominated in the entity's functional currency	94,052	-	-	-	-	-	-
Currency risk exposures	-	1,858	3,160	19	8,863	3	

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD \$'000	USD \$'000	AUD \$'000	GBP \$'000	Other \$'000	Total \$'000
2016						
Financial assets						
Cash and bank balances	27,736	454	6,322	70	2	34,584
Available-for-sale financial assets	2,174	-	-	-	-	2,174
Trade and other receivables	6,316	94	-	3	6	6,419
Other financial assets	348	-	-	-	-	348
	36,574	548	6,322	73	8	43,525
Financial liabilities						
Trade and other payables	(9,478)	-	-	-	-	(9,478)
Borrowings	(136,038)	-	-	-	-	(136,038)
	(145,516)	-	-	-	-	(145,516)
Net financial (liabilities)/ assets	(108,942)	548	6,322	73	8	
Less: Net financial assets denominated in the entity's functional currency	108,942	-	-	-	-	
Currency risk exposures	-	548	6,322	73	8	

If the USD, AUD, GBP and HKD change against SGD by 3% (2016: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position would be as follows:

	← Increase/(Decrease) →			
	2017		2016	
Group	Profit after tax \$'000	Other comprehensive income \$'000	Profit after tax \$'000	Other comprehensive income \$'000
USD against SGD				
- strengthened	149	3	39	-
- weakened	(149)	(3)	(39)	-
AUD against SGD				
- strengthened	78	1,721	264	2,802
- weakened	(78)	(1,721)	(264)	(2,802)
GBP against SGD				
- strengthened	6	4,193	20	6,425
- weakened	(6)	(4,193)	(20)	(6,425)
HKD against SGD				
- strengthened	221	-	-	-
- weakened	(221)	-	-	-

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	← Increase/(Decrease) →			
	2017		2016	
	Profit after tax \$'000	Other comprehensive income \$'000	Profit after tax \$'000	Other comprehensive income \$'000
Company				
USD against SGD				
- strengthened	46	-	23	-
- weakened	(46)	-	(23)	-
AUD against SGD				
- strengthened	79	-	262	-
- weakened	(79)	-	(262)	-
GBP against SGD				
- strengthened	-	-	3	-
- weakened	-	-	(3)	-
HKD against SGD				
- strengthened	221	-	-	-
- weakened	(221)	-	-	-

(ii) Price risk

The Group is exposed to debt securities price risk arising from the investments held by the Group and classified on the consolidated balance sheet as available-for-sale. These securities are listed in Singapore.

If prices for debt securities listed in Singapore change by 1% (2016: 1%) with all other variables including tax rate being held constant, the effects on other comprehensive income will be:

	← Increase/(Decrease) →	
	2017	2016
	Other comprehensive income \$'000	Other comprehensive income \$'000
Group/Company		
Listed in Singapore		
- increased by	119	22
- decreased by	(119)	(22)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income is substantially independent of changes in market interest rates.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

The Group's and Company's exposure to cash flow interest rate risks arise mainly from non-current variable rate borrowings.

If the interest rates have increased/decreased by 0.6% (2016: 0.8%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by \$2,495,000 (2016: \$3,946,000).

If the interest rates have increased/decreased by 0.6% (2016: 0.8%) with all other variables including tax rate being held constant, the Company's profit after tax would have been lower/higher by \$26,000 (2016: \$465,000).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limit that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. The Group and Company have no major concentration of credit risk. The Company has no material third party debtors. The top five debtors of the Group represented 37% (2016: 29%) of trade receivables in 2017.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Corporate guarantees provided to banks on subsidiaries' and associated companies' loans	76,202	79,614	461,558	556,551

The Group's major classes of financial assets are bank and other deposits and trade and other receivables. The Company's major classes of financial assets are bank deposits, trade and other receivables and loans to subsidiaries and associates.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The Group's credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2017 \$'000	2016 \$'000
By geographical areas		
Singapore	1,515	2,369
Malaysia	775	1,027
Australia	27	46
United Kingdom	218	237
	2,535	3,679

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables from third parties and related corporations that are neither past due nor impaired are substantially companies with a good collection track record with the Group and Company.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired are as follows:

	Group	
	2017 \$'000	2016 \$'000
Past due < 3 months	1,350	1,207
Past due 3 to 6 months	84	144
Past due > 6 months	50	98
	1,484	1,449

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Gross amount	852	1,033
Less: Allowance for impairment	(852)	(1,033)
	-	-
Beginning of financial year	1,033	976
Currency translation difference	(3)	(26)
Allowance made	149	126
Allowance utilised	(327)	(43)
End of financial year	852	1,033

The impaired trade receivables arise mainly from sales to customers who have financial difficulties and significant delays in payments.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities (Note 25(b)). At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

Management monitors rolling forecasts of the liquidity reserve (comprises cash and bank deposits (Note 12)) of the Group and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Group				
2017				
Trade and other payables	39,367	17	27	38
Borrowings	127,190	57,143	288,765	268,531
Financial guarantee contracts (Note 33(d))	76,202	-	-	-
2016				
Trade and other payables	42,143	16	6	30
Borrowings	57,590	123,251	208,672	359,080
Financial guarantee contracts (Note 33(d))	79,614	-	-	-

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The financial guarantee contracts maturing in less than 1 year are \$76,202,000 (2016: \$79,614,000)

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
Company			
2017			
Trade and other payables	11,438	-	-
Borrowings	77,965	4,462	87,231
Financial guarantee contracts (Note 33(d))	461,558	-	-
2016			
Trade and other payables	9,478	-	-
Borrowings	3,413	68,163	-
Financial guarantee contracts (Note 33(d))	556,551	-	-

Loan from a subsidiary is not included in the table above as there are no fixed terms of repayment on the loan (Note 25(e)).

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a net gearing ratio. The net gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and bank balances. Total capital is calculated as borrowings plus net assets of the Group.

The net gearing ratios are computed as follows:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net debt	576,873	577,853	122,187	101,454
Total capital	1,128,371	1,059,880	430,717	346,337
Net gearing ratio	51%	55%	28%	29%

Financial covenants relating to the Group's and Company's borrowings include debt service coverage ratio, loan to value ratio, consolidated total equity, and consolidated net borrowings to consolidated total equity ratio.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2016 and 2017.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements

As at 31 December 2017

Available-for-sale financial assets

Financial assets, at fair value through profit or loss

Level 1 \$'000	Level 3 \$'000
11,887	-
-	51

As at 31 December 2016

Available-for-sale financial assets

2,174	-
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The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group and Company is the current bid price. These instruments are included in Level 1.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximated their carrying amount.

The Group estimates the fair value of its unquoted investment classified as financial assets at fair value through profit or loss based on its share of the investee companies' net asset value ("NAV"), which is a significant unobservable input. NAV is determined by reference to the attributable net assets of the Group's investee companies based on the latest available financial information, adjusted, where applicable, for valuations of the underlying investment properties held by the investee companies determined by external, independent and qualified valuers.

Management of the Group reviews the appropriateness of the methodologies used to determine NAV, and also evaluates the appropriateness and reliability of the inputs used in the determination of NAV.

The financial assets at fair value through profit or loss are classified under Level 3 of the fair value hierarchy.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 16 and Note 17 to the financial statements, except for the following:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Loans and receivables	94,776	93,163	76,351	41,351
Financial liabilities at amortised cost	692,086	702,593	168,387	145,516

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

35. RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2017 \$'000	2016 \$'000
Services provided to immediate holding corporation	87	10
Services provided to associated companies	774	682
Purchases from a company which a director has an interest	36	4
Interest charged by associated company	1,213	1,489

Outstanding balances at 31 December 2017 and 31 December 2016 arising from purchases of goods are set out in Notes 13 and 24.

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2017 \$'000	2016 \$'000
Wages and salaries	4,657	3,870
Employer's contribution to defined contribution plans, including Central Provident Fund	144	103
	4,801	3,973

Included in above, total compensation to directors of the Company amounted to \$422,000 (2016: \$380,000)

36. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Senior Management that are used to make strategic decisions. The Senior Management comprises the Group Chief Executive Officer, the Group Chief Financial Officer, and the Chief Executive Officer of each business/geographic segment.

The Senior Management manages and monitors the business in three business segments which is the provision of dormitory accommodation and services for workers ("Workers accommodation"), provision of accommodation and services for students ("Student accommodation") and manufacture and sale of optical discs and related data storage products ("Others").

The results of the respective countries within the Student accommodation and Workers accommodation business segments are aggregated into a single operating segment respectively as they share similar economic characteristics.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

36. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2017 is as follows:

	Workers accommodation \$'000	Student accommodation \$'000	Others \$'000	Total \$'000
Year ended 31 December 2017:				
Sales:				
Sales to external parties	100,397	34,989	1,727	137,113
Segment results	60,330	12,929	367	73,626
Finance expense	(13,893)	(7,643)	(9)	(21,545)
Listing expense				(6,869)
Interest income				906
Dividend income				107
Fair value (losses)/gains on investment properties and assets held for sale	(3,871)	1,388	1,263	(1,220)
Impairment of property, plant and equipment				(14)
Impairment of intangible asset				(207)
Share of profit/(loss) of associated companies	3,966	657	(17)	4,606
Profit before tax				49,390
Income tax expense				(11,746)
Net profit				37,644
Segment assets	685,167	332,070	9,056	1,026,293
Short-term bank deposits				37,454
Available-for-sale financial assets				11,887
Tax recoverable				547
Investments in associated companies				112,810
Consolidated total assets				1,188,991
Segment liabilities	32,380	12,300	1,390	46,070
Borrowings	426,502	226,110	26	652,638
Current income tax liabilities				10,455
Deferred income tax liabilities				4,095
Consolidated total liabilities				713,258
Other segment items:				
Capital expenditure	8,624	16,021	-	24,645
Depreciation	2,042	1,044	34	3,120
Amortisation	1,649	-	-	1,649

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

36. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2016 is as follows:

	Workers accommodation \$'000	Student accommodation \$'000	Others \$'000	Total \$'000
Year ended 31 December 2016:				
Sales:				
Total segment sales	85,824	32,276	3,207	121,307
Inter-segment sales	-	-	(770)	(770)
Sales to external parties	85,824	32,276	2,437	120,537
Segment results	47,927	11,716	(164)	59,479
Finance expense	(13,614)	(7,812)	43	(21,383)
Interest income				1,371
Dividend income				115
Fair value (losses)/gains on investment properties	(32,436)	29,315	-	(3,121)
Share of profit/(loss) of associated companies	5,411	-	(13)	5,398
Profit before tax				41,859
Income tax expense				(7,048)
Net profit				34,811
Segment assets	668,696	302,620	7,850	979,166
Short-term bank deposits				60,544
Available-for-sale financial assets				2,174
Tax recoverable				610
Deferred income tax assets				4
Investments in associated companies				77,236
Consolidated total assets				1,119,734
Segment liabilities	36,704	9,963	1,366	48,033
Borrowings	460,822	199,533	43	660,398
Current income tax liabilities				10,478
Deferred income tax liabilities				1,343
Consolidated total liabilities				720,252
Other segment items:				
Capital expenditure	37,700	46,244	197	84,141
Depreciation	1,761	1,063	218	3,042
Amortisation	4,939	-	-	4,939

Segment assets consist primarily of property, plant and equipment, investment property, intangible assets, inventories, receivables, other current assets and operating cash, and exclude deferred tax assets, investments in associated companies and joint ventures, available-for-sale financial assets and short-term bank deposits. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and bank borrowings. Capital expenditure comprises additions to property, plant and equipment and investment properties.

Notes To The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

36. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's three business segments operate in four main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the provision of workers accommodation, provision of student accommodation and manufacture and sale of optical discs;
- Australia – the operations in this area are principally the provision of student accommodation and property investments;
- Malaysia – the operations in this area are principally the provision of workers accommodation;
- United Kingdom – the operations in this area are principally the provision of student accommodation;
- Other countries – the operations are principally property investments.

	Sales	
	2017 \$'000	2016 \$'000
Singapore	97,335	84,098
Australia	8,501	8,551
Malaysia	8,095	6,947
United Kingdom	22,855	20,598
Other countries	327	343
	137,113	120,537
	Non-current assets	
	2017 \$'000	2016 \$'000
Singapore	681,810	656,491
Australia	87,767	77,631
Malaysia	78,339	67,276
United Kingdom	221,125	209,480
Other countries	6,635	5,022
	1,075,676	1,015,900

37. IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The Company's immediate holding corporation is Centurion Properties Pte Ltd, incorporated in Singapore. The ultimate holding corporation is Centurion Global Ltd, incorporated in the British Virgin Islands.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Centurion Corporation Limited on 15 March 2018.

Five-Year Summary

A summary of the results, assets and liabilities and non-controlling interests of the Group for the last five years ended 31 December, as extracted from the published annual reports is set out below:

Results

	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
Revenue	57,053	84,443	104,538	120,537	137,113
Net profit from Core Business Operations attributable to equity holders of the Company	19,058	31,099	35,810	38,586	44,331
Earnings per share from Core Business Operations (in SGD cents)	2.52	4.11	4.74	5.19	5.83

Assets and Liabilities

	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
Non-current assets	448,198	791,587	993,552	1,015,900	1,075,676
Current assets	67,646	82,446	148,092	103,834	113,315
Total assets	515,844	874,033	1,141,644	1,119,734	1,188,991
Total liabilities	222,923	482,473	738,748	720,252	713,258
Non-controlling interests	-	930	780	6,884	12,806
Total equity attributable to equity holders of the Company	292,921	390,630	402,116	392,598	462,927

Statistics of Shareholdings

AS AT 8 MARCH 2018

Class of shares	: Ordinary shares
Issued and fully paid-up share capital (excluding Treasury Shares)	: S\$202,441,222.11
Number of issued shares (excluding Treasury Shares)	: 840,778,624
Voting rights (excluding Treasury Shares)	: One vote per share

Treasury Shares

The Company does not hold any Treasury Shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding			Number of Shareholders	%	Number of Shares	%
1	-	99	97	2.06	4,769	0.00
100	-	1,000	788	16.78	344,628	0.04
1,001	-	10,000	2,384	50.76	11,483,340	1.37
10,001	-	1,000,000	1,408	29.98	79,046,693	9.40
1,000,001		and above	20	0.42	749,899,194	89.19
			4,697	100.00	840,778,624	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	DB Nominees (S) Pte Ltd	318,062,500	37.83
2.	HKSCC Nominees Limited	149,145,839	17.74
3.	Raffles Nominees (Pte) Ltd	133,449,026	15.87
4.	UOB Kay Hian Pte Ltd	46,739,903	5.56
5.	United Overseas Bank Nominees Pte Ltd	20,326,613	2.42
6.	DBS Nominees Pte Ltd	17,695,977	2.11
7.	Citibank Nominees Singapore Pte Ltd	14,140,025	1.68
8.	CGS-CIMB Securities (S) Pte Ltd	7,349,838	0.87
9.	Pamela Ling Yueh	7,293,600	0.87
10.	Maybank Kim Eng Securities Pte Ltd	7,254,418	0.86
11.	Lim & Tan Securities Pte Ltd	5,008,100	0.60
12.	OCBC Nominees Singapore Pte Ltd	4,357,847	0.52
13.	OCBC Securities Private Ltd	4,184,877	0.50
14.	Yuan Xiaomin	3,204,300	0.38
15.	Lee Kerk Chong	2,466,271	0.29
16.	Lee Joh Ern	2,295,625	0.27
17.	Ho Han Khoon	2,010,000	0.24
18.	Phillip Securities Pte Ltd	2,005,061	0.24
19.	DBS Vickers Securities (S) Pte Ltd	1,715,374	0.20
20.	Lee Kwi Thai	1,194,000	0.14
Total		749,899,194	89.19

Statistics of Shareholdings

AS AT 8 MARCH 2018

SHAREHOLDING OF THE SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Centurion Properties Pte Ltd ⁽²⁾	435,756,126	51.83	10,000,000	1.19	445,756,126	53.02
Centurion Global Ltd ⁽³⁾	-	-	445,756,126	53.02	445,756,126	53.02
Loh Kim Kang David ⁽⁴⁾	21,679,050	2.58	445,956,126	53.04	467,635,176	55.62
Han Seng Juan ⁽⁵⁾	12,717,900	1.51	453,703,626	53.96	466,421,526	55.47
Teo Peng Kwang ⁽⁶⁾	63,723,330	7.58	-	-	63,723,330	7.58

Notes:

- (1) Based on 840,778,624 issued ordinary shares (excluding treasury shares) as at 8 March 2018.
- (2) Of the 435,756,126 shares held by Centurion Properties Pte Ltd ("**Centurion Properties**"), 310,000,000 shares are registered in the name of DB Nominees (S) Pte Ltd and 125,756,126 shares are registered in the name of Raffles Nominees (Pte.) Limited. Centurion Properties is deemed to be interested in 10,000,000 shares held by its wholly-owned subsidiary, Thinkpac Limited ("**Thinkpac**"), which are registered in the name of UOB Kay Hian Private Limited.
- (3) Centurion Properties is a wholly-owned subsidiary of Centurion Global Ltd ("**Centurion Global**") and Thinkpac is a wholly-owned subsidiary of Centurion Properties. Centurion Global is, therefore, deemed to be interested in 435,756,126 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac.
- (4) Loh Kim Kang David ("**Mr Loh**") holds a 50% shareholding interest in Centurion Global. Mr Loh is, therefore, deemed to be interested in 435,756,126 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac. Mr Loh also has a deemed interest in 200,000 shares held by his spouse, Wong Wan Pei.
- Of the 21,679,050 shares held by Mr Loh, 16,716,750 shares are registered in the name of UOB Kay Hian Private Limited, 2,500,000 shares are registered in the name of Raffles Nominees (Pte.) Limited, 2,104,300 shares are registered in the name of CIMB Securities (Singapore) Pte Ltd and 358,000 shares are registered in the name of CIMB Securities Limited.
- (5) Han Seng Juan ("**Mr Han**") holds a 50% shareholding interest in Centurion Global. Mr Han is, therefore, deemed to be interested in 435,756,126 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac. Mr Han also has a deemed interest in 7,947,500 shares held by his spouse, Kang Lee Cheng Susanna, which are registered in the name of DB Nominees (S) Pte Ltd.
- Of the 12,717,900 shares held by Mr Han, 4,384,400 shares are registered in the name of Citibank Nominees Singapore Pte Ltd, 685,500 shares are registered in the name of UOB Kay Hian Private Limited, 1,800,000 shares are registered in the name of Kim Eng Securities (Hong Kong) Limited, 4,726,000 shares are registered in the name of UBS Securities (Hong Kong) Limited, 402,300 shares are registered in the name of Oversea-Chinese Bank Nominees Pte Ltd and 719,700 shares are registered in his own name.
- (6) Of the 63,723,330 shares held by Teo Peng Kwang, 40,270,164 shares are registered in the name of DBS Bank Pte Ltd, 16,000,000 shares are registered in the name of Deutsche Bank AG, 7,356,916 shares are registered in the name of UOB Kay Hian Private Limited and 96,250 shares are registered in the name of United Overseas Bank Nominees Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 8 March 2018, approximately 31.51% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual and Rule 8.08 of the SEHK Listing Rules.

Notice Of Annual General Meeting

CENTURION CORPORATION LIMITED

勝捷企業有限公司*

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 198401088W)

(SGX Stock Code: OU8)

(SEHK Stock Code: 6090)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **CENTURION CORPORATION LIMITED** (the “Company”) will be held : (a) in Singapore, at Bras Basah Room, Raffles City Convention Centre (Level 4), 80 Bras Basah Road, Singapore 189560 (for Singapore Shareholders); and (b) in Hong Kong, *via* video-conferencing at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (for Hong Kong Shareholders) on 27 April 2018 (Friday) at 10:00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2017 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final dividend of 1.0 Singapore cent per ordinary share and a special dividend of 0.5 Singapore cent per ordinary share, on a one-tier tax exempt basis, for the financial year ended 31 December 2017. **(Resolution 2)**
3. To re-elect the following Directors retiring by rotation pursuant to Regulation 89 of the Company’s Constitution:
 - (a) Mr Han Seng Juan as Non-Executive Director
[See Explanatory Note (i)] **(Resolution 3)**
 - (b) Mr Gn Hiang Meng as Independent Non-Executive Director
[See Explanatory Note (ii)] **(Resolution 4)**
4. To approve the payment of Directors’ fees of S\$422,450 for the financial year ended 31 December 2017 (FY2016: S\$379,950). **(Resolution 5)**
5. To re-appoint PricewaterhouseCoopers LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

7. Share Issue Mandate

“That pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”), Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**SEHK**”), the Directors of the Company be authorised and empowered to:

- A. (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise, and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

Notice Of Annual General Meeting

AS SPECIAL BUSINESS (CONTINUED)

7. Share Issue Mandate (Continued)

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- B. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST and SEHK) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST and the Listing Rules of the SEHK for the time being in force (unless such compliance has been waived by the SGX-ST and SEHK) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

(Resolution 7)

Notice Of Annual General Meeting

AS SPECIAL BUSINESS (CONTINUED)

8. Renewal of Share Purchase Mandate

“That:

- (a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all the powers to purchase or otherwise acquire issued shares in the capital of the Company from time to time of not exceeding in aggregate the Prescribed Limit (as hereinafter defined) at the price of up to but not exceeding the Maximum Price (as hereinafter defined), whether by way of:
 - (i) on-market purchases (each an “**On-Market Share Purchase**”) on the SGX-ST and/or SEHK, through the ready markets, through one or more duly licensed stock brokers appointed by the Company for such purpose; and/or
 - (ii) off-market purchases (each an “**Off-Market Share Purchase**”) effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act, Listing Manual of the SGX-ST and Listing Rules of the SEHK, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held; or
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or
 - (iii) the date on which the purchases of shares by the Company have been carried out to the full extent mandated;
- (c) for the purpose of this Resolution:

“**Prescribed Limit**” means ten percent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution; and

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

- (i) in the case of an On-Market Share Purchase, one hundred and five percent (105%) of the Average Closing Price (as hereinafter defined); and
- (ii) in the case of an Off-Market Share Purchase, one hundred and twenty percent (120%) of the Average Closing Price,

Notice Of Annual General Meeting

AS SPECIAL BUSINESS (CONTINUED)

8. Renewal of Share Purchase Mandate (Continued)

where:

“Average Closing Price” means the average of the closing market prices of a share of the Company over the last five (5) Market Days (**“Market Day”** being a day on which the SGX-ST or the SEHK, as the case may be, is open for securities trading), on which transactions in the shares of the Company were recorded, immediately preceding the date of making the On-Market Share Purchase, or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

- (d) the Directors of the Company and each of them be and are hereby authorised to deal with the shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they or he may think fit, which is allowable under the Companies Act, Listing Manual of the SGX-ST and the Listing Rules of the SEHK; and
- (e) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider expedient, necessary, incidental or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

[See Explanatory Note (iv)]

(Resolution 8)

By Order of the Board

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore, 26 March 2018

Notice Of Annual General Meeting

Explanatory Notes:

- (i) Ordinary Resolution 3 is to re-elect Mr Han Seng Juan as a Non-Executive Director of the Company. Mr Han will, upon re-election, remain as Non-Executive Director. He is a controlling shareholder of the Company. Save as disclosed in the Company's Annual Report and circular to the shareholders accompanying this Notice of Annual General Meeting (the "Circular"), there are no relationships (including immediate family relationships) between Mr Han and the other Directors or the Company.
 - (ii) Ordinary Resolution 4 is to re-elect Mr Gn Hiang Meng as Independent Non-Executive Director of the Company. Mr Gn will, upon re-election, remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST and Rule 3.13 of the Listing Rules of the SEHK. There are no relationships (including immediate family relationships) between Mr Gn and the other Directors, the Company or its ten per cent (10%) shareholders.
 - (iii) Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of the forthcoming Annual General Meeting until the date of the next Annual General Meeting to issue shares and/or to make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.
 - (iv) Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of the forthcoming Annual General Meeting until the date of the next Annual General Meeting to purchase issued ordinary shares of the Company by way of On-Market Share Purchase or Off-Market Share Purchase of not exceeding in aggregate the Prescribed Limit at the Maximum Price in accordance with the terms and conditions set out in the Circular, the Companies Act, the Listing Manual of the SGX-ST and the Listing Rules of the SEHK. Please refer to the Circular for details.
- * *Information on the Directors who are proposed to be re-elected can be found under "Board of Directors" section in the Annual Report and in the Circular.*

Notes -

- 1. (a) A member of the Company ("Member") who is not a relevant intermediary* or a clearing house (or its nominee(s)) is entitled to attend, speak and vote at the Annual General Meeting ("AGM") or to appoint not more than two (2) proxies to attend, speak and vote in his/her stead.
- (b) A Member who is a relevant intermediary* or a clearing house (or its nominee(s)) may appoint more than two (2) proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her.

* *"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.*

- 2. A proxy need not be a Member.
- 3. If the appointor is a corporation, the instrument appointing a proxy or proxies must be executed under seal or the hand of its duly authorised officer or attorney.
- 4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 45 Ubi Road 1, #05-01, Singapore 408696 (for Singapore shareholders), or at the office of Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders), not less than seventy-two (72) hours before the time appointed for holding the AGM.

Notice Of Annual General Meeting

Notes - (continued)

5. The Hong Kong branch share register will be closed from 24 April 2018 to 27 April 2018, both days inclusive, during which period no transfer of shares will be registered, for determining the entitlement to attend and vote at the Annual General Meeting to be held on 27 April 2018. All transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 pm on 23 April 2018.

Personal data privacy:

"Personal data" has the same meaning ascribed to it in the Personal Data Protection Act 2012 of Singapore, which includes name, address, NRIC/passport number of a Member and proxy(ies) and/or representative(s) of a Member.

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

Corporate Information

BOARD OF DIRECTORS

Non-Executive:

Wong Kok Hoe (Non-Executive Chairman)
Loh Kim Kang David
Han Seng Juan

Independent Non-Executive:

Gn Hiang Meng (Lead Independent Director)
Chandra Mohan s/o Rethnam
Owi Kek Hean

AUDIT COMMITTEE

Gn Hiang Meng (Chairman)
Chandra Mohan s/o Rethnam
Owi Kek Hean

NOMINATING COMMITTEE

Owi Kek Hean (Chairman)
Chandra Mohan s/o Rethnam
Gn Hiang Meng

REMUNERATION COMMITTEE

Chandra Mohan s/o Rethnam (Chairman)
Gn Hiang Meng
Wong Kok Hoe

COMPANY SECRETARIES

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Wong Tak Yee (Hong Kong Company Secretary)

REGISTERED OFFICE

45 Ubi Road 1 #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6743 5818
Email : enquiry@centurioncorp.com.sg

STOCK CODE

Singapore : OU8
Hong Kong : 6090

COMPANY WEBSITE

www.centurioncorp.com.sg

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

45 Ubi Road 1 #05-01
Singapore 408696

PRINCIPAL BANKERS

United Overseas Bank Limited
Malayan Banking Berhad
DBS Bank Ltd

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 5705,
57th Floor
The Centre
99 Queen's Road Central
Hong Kong

SINGAPORE PRINCIPAL SHARE REGISTRAR

B.A.C.S Private Limited
8 Robinson Road
#03-00, ASO Building
Singapore 048544
Tel : (65) 6593 4848
Fax: (65) 6593 4847

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel : (852) 2980 1333
Fax: (852) 2810 8185

AUDITORS

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

AUDIT PARTNER-IN-CHARGE

Yeow Chee Keong
(Date of appointment:
Since financial year beginning 01 January 2013)

COMPLIANCE ADVISER

VBG Capital Limited
18th Floor, Prosperity Tower
39 Queen's Road Central
Hong Kong