Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)
(Co. Reg. No.: 198401088W)
SGX Stock Code: OU8
SEHK Stock Code: 6090

2019
ANNUAL REPORT

BUILDING VALUE IN **PEOPLE** AND **PLACES**

1. *dwell East End Adelaide, Adelaide, Australia*

2. *dwell Dongdaemun, Seoul, South Korea*

3. *RMIT Village, Melbourne, Australia*

Portfolio of 33 owned and managed assets in 16 cities and 6 countries around the world

6
Assets in Singapore

7
Assets in Malaysia

11
Assets in United Kingdom

6
Assets in United States

2
Assets in Australia

1
Asset in South Korea

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4. International Labour Organization – Ministry of Manpower Visit to Westlite dormitory

5. Community Cleanup Day by Westlite Senai

6. Westlite Bukit Minyak, Penang, Malaysia

OVERVIEW

STRATEGY AND BUSINESS REVIEW

ADDITIONAL INFORMATION

CORPORATE PROFILE

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

Established in 1984 as an audio cassette tape manufacturer, the Company was listed on the Singapore Exchange (SGX: OU8) in January 1995 as an optical disc manufacturer. In 2011, a reverse takeover saw the Group successfully re-focusing into the specialised accommodation business to capture 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 2019, the Group owns and manages a strong portfolio of 33 operational accommodation assets totalling 65,133 beds. Following the completion of projects currently under development and undergoing asset enhancement works, the Group's portfolio of accommodation assets is expected to grow to 68,733 beds by FY2020.

Centurion's established portfolio of workers accommodation assets is managed under the "Westlite" brand. The Group owns a portfolio of 28,000 beds across five workers accommodation assets in Singapore and 30,700 beds across seven workers accommodation assets in Malaysia.

The Group successfully expanded into the student accommodation business in 2014. Centurion currently owns a portfolio of 11 assets in the UK with a total capacity of 2,852 beds, a 332-bed asset in Singapore, two assets in Australia with 896 bed spaces and one 208-bed asset in South Korea. With the exception of RMIT Village in Melbourne, Australia, the Group's student accommodation assets are managed under the "dwell" brand.

In November 2017, Centurion broke new ground with the establishment of its inaugural private fund, the Centurion US Student Housing Fund, which now holds a portfolio of 2,145 beds in the US. A year later in December 2018, the Group announced the successful first close of its second fund, the Centurion Student Accommodation Fund, to invest in purpose-built student accommodation globally (ex-US). In line with the Group's asset light strategy, such investments will allow Centurion to efficiently leverage resources to scale up in a sustainable manner.

With global reach and a clear growth strategy to actively enhance and manage its assets, identify strategic acquisitions supported by joint ventures and investment funds, Centurion has evolved to become Singapore's leading owner, manager and operator of niche, alternative accommodation assets.

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 practises 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 2019

JANUARY – MARCH

Centurion establishes presence in second Malaysian city – **January**

The Group received the Certificate of Completion and Compliance for Westlite Bukit Minyak, its first Purpose-Built Worker's Accommodation (PBWA) in Penang. The 6,600-bed development is Penang's first PBWA and increased Centurion's portfolio of properties in Malaysia to seven.

Centurion enters into a 20-year solar panel agreement with Sunseap – **February**

Under the agreement, Sunseap installed solar panel systems on Centurion's ASPRI-Westlite Papan workers dormitory in Singapore. This not only lowered the cost of operations but also helped reduce the dormitory's carbon footprint by a third.

February: Commencement of operations of the 208-bed dwell Dongdaemun, South Korea.

February: Commencement of operation of the 280-bed dwell East End Adelaide and most of the new 160 beds under Asset Enhancement Programme (AEP) in RMIT Village, Australia.

Winner of The Enterprise Award at the Singapore Business Awards – **March**

Centurion was recognised for its success in effective global expansion, contribution to the community, corporate management and financial performance.

March: The Group successfully issued Series 004 Tranche 002 S$4 million fixed rate notes ("notes") due 2022, which will be consolidated and form a single series with the existing S$56 million fixed rate notes due 2022 issued on 1 February 2019. The aggregate principal amount of notes in Series 004 due February 2022 is S$60 million.

APRIL – JUNE

Recognition for leadership in customised accommodations at the International Le Fonti Awards 2019 – **April**

The Group was conferred two regional awards:

Best Provider of the Year, Customised Accommodation Management Services

Mr Kong Chee Min was awarded CEO of the Year, Customised Accommodation Management Services

JULY – SEPTEMBER

July: Centurion won the Best Annual Report Bronze Award in the mid-cap category (for listed companies with a market capitalisation of between $300 million and $1 billion) at the Singapore Corporate Awards 2019.

Centurion further expands its Malaysian portfolio – **August**

The Group began development of three additional dormitory blocks on a parcel of land adjoining Westlite Tampoi in Johor. This project, named Tampoi II, is expected to complete in 3Q 2020 and will add approximately 3,600 beds to the Group's Malaysian portfolio.

Enhancing the Group's Singapore portfolio – **September**

Centurion secured a 10-year lease, with an option to renew for another five years, for Westlite Juniper adding approximately 1,900 beds.

September: Centurion was one of 2 runners-up for the Investors' Choice Awards 2019 – Singapore Corporate Governance Award under the mid-cap category, recognising the Group for its exemplary performance in Corporate Governance practices.

OCTOBER – DECEMBER

October: Centurion was awarded the HR Excellence Awards 2019 – Excellence in Total Rewards Strategy Award, a recognition for its commitment to attract, motivate and retain top talents through a holistic and competitive total rewards strategy.

Scaling up presence in the UK – **December**

The Group enlarged its student accommodation business in the UK with the acquisition of a 177-bed student accommodation asset in Nottingham. This expanded the Group's UK portfolio to a total of 2,852 beds across 11 properties in five cities in the UK.


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2

1. *Westlite Bukit Minyak Certificate of Completion and Compliance Ceremony*
2. *Singapore Business Awards 2019*
3. *Le Fonti Real Estate Innovation Awards 2019*
4. *HR Excellence Awards 2019*
5. *dwell Archer House, Nottingham, United Kingdom*


3


4


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JOINT CHAIRMEN LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

We are pleased to report that in FY2019, the Group achieved notable growth in our portfolio of operating assets across both our worker (PBWA) and student accommodation (PBSA) businesses.

This portfolio growth reflects the Group's focused strategy for building a stable and resilient portfolio, diversified by 2 discrete business segments and also within each segment, diversified by geographies.

Successful execution of this strategy enables Centurion to deliver stable and sustainable returns to our shareholders, while navigating macroeconomic uncertainties.

STRATEGIC AND STABLE GROWTH

Core business revenue and profits grew as our new portfolio capacity became operational, adding to continued healthy performance of our existing assets.

As a result, for FY2019, the Group achieved a healthy growth of 11% in revenue and 10% in net profit from core business operations to S$43.6 million.

We also recorded significant valuation gains of S$66.3 million for the year, mainly contributed by management efforts in regard to a planned Asset Enhancement of a Singapore PBWA asset, which enables us to secure an extension of the land use as a worker dormitory for an additional 25 years. With the valuation gain, net profit after tax for the Group increased by 23% in FY2019 to S$103.8 million, which is a second consecutive year of record performance.

Accordingly, our Group's earnings per share and net asset value both enjoyed double-digit growth.

As a reward to our shareholders, the Board of Directors had made an interim dividend payment of 1.0 Singapore cent per ordinary share during the year. A final dividend of 1.0 Singapore cent per ordinary share has also been recommended, subject to approval by shareholders at the Annual General Meeting, which would bring total dividend payment for FY2019 to 2.0 Singapore cents per share or the Hong Kong dollar equivalent of 11.20 cents per share.

LOOKING AHEAD

We expect occupancy of our assets to remain healthy, given robust demand and continued short supply in our PBWA and PBSA business, the strategic locations of our assets, and our well-diversified markets and customer bases.

Mr. Han Seng Juan   Mr. Loh Kim Kang David

Moving forward, we are cautious on our business outlook in 2020, amidst ongoing geopolitical trade tensions, concerns from the COVID-19 outbreak, and possible resultant impact on global economies.

During this period of uncertainty, we will exercise caution in assessing opportunities for portfolio growth through acquisitions and developments.

The Group continues to diligently review our portfolio assets and management platforms, and will seek opportunities during this period, to strengthen our operating processes and efficiencies. We will also selectively implement asset enhancement programmes within our existing properties, to enhance the performance and value of our assets.

Redevelopment at Westlite Toh Guan spurs growth in valuation gains

JOINT CHAIRMEN
LETTER TO SHAREHOLDERS

Our portfolio growth in FY2019 reflects the Group's focused strategy for building a stable and resilient portfolio, diversified by 2 discrete business segments spread across different geographies.

DELIVERING SUSTAINABLE VALUE

As we deliver sustainable returns to our shareholders, we also focus on delivering sustainable value to our stakeholders, including staff, customers and communities wherein we operate.

The safety and security of our staff and residents is paramount, in the current COVID-19 situation. Centurion has Business Continuity Plans in place, including Pandemic Management Plans which we have activated since January 2020. We continue to closely monitor our communities, to manage and contain risks to our communities' wellbeing.

As a practice, our employees enjoy equal career and development opportunities, regardless of nationality, race, gender, age or creed. We actively promote social engagement and integration within our communities, encouraging volunteerism from our staff, residents and customers.


The UK continues to power our performance in the PBSA segment

In 2018, bringing gender diversity to the Board, we welcomed Ms Tan Poh Hong to join us as Independent Non-Executive Director, adding experience and perspective to our Board. Ms Tan's vast experience includes serving as Deputy CEO at Singapore's Housing and Development Board. She is also a Council Member of the Singapore Red Cross and a Fellow with the Centre for Liveable Cities.

Continuous efforts are made, across our assets and business units, to reduce our environmental footprint by managing our energy and utilities consumption. We have implemented our solar energy installation in 1Q 2019, and continue to explore options for clean and renewable energy solutions.

EXTENDING APPRECIATION

In November 2019, we welcomed Mr Lee Wei Loon as our Independent Non-Executive Director. He was previously an Executive Director, Investment Banking Division, of Morgan Stanley Asia. He is currently also a Director of Novena Global Healthcare Group.

We are grateful for the active contributions of our Independent Non-Executive Directors, who add diversity to our board with their depth of experience and breadth of perspective.

We would also like to express our gratitude to Mr Wong Kok Hoe, who has stepped down as Chairman of our Board of Directors, which role he has served faithfully since August 2011. Under his dedicated leadership, Centurion enjoyed excellent growth and is strategically well-positioned for the future. Mr Wong continues to serve on the Board as Deputy Chairman, and joins the senior management team as an Executive Director.

Last but not least, we would like to thank our faithful shareholders, dedicated management and staff, loyal partners and community stakeholders for their continued support.

Yours faithfully

HAN SENG JUAN
LOH KIM KANG, DAVID
Joint Chairmen

CEO'S STATEMENT

DEAR SHAREHOLDERS,

The management of Centurion is pleased to report that the Group has, for FY2019, announced healthy increases in revenue and net profit from core business as well as significant gains in the valuation of our specialised accommodation assets.

Core business revenue and profits grew as new portfolio capacity in both our workers (PBWA) and student (PBSA) accommodation businesses became operational, while occupancy and rental rates of our existing assets continued to perform, remaining resilient in the face of macroeconomic uncertainties.

The gain in fair value of our assets was derived from our newly developed and enhanced assets in Adelaide and Melbourne respectively. Additionally, the Group received Planning Permission in 2H 2019 and Written Permission in February 2020 for a redevelopment project at Westlite Toh Guan, Singapore. This enables the Group to obtain an extension of the permitted use of the property as a worker accommodation by 25 years, for the full term of its lease till 2057, resulting in a significant valuation gain for the Group.

Mr. Kong Chee Min

FINANCIAL PERFORMANCE

In FY2019, the Group's revenue increased by 11% to S$133.4 million. Gross profit margin rose to 73%, with a corresponding growth in gross profit by 12% to S$96.9 million. Net profit from core business grew 10% to S$43.6 million.

The increase in core business performance was driven by contributions from the 280-bed dwell East End Adelaide which began operations in February 2019, RMIT Village in Melbourne where 160-beds were added following completion of its Asset Enhancement Programme in May 2019, and 1,900-bed Westlite Juniper which lease was secured in September 2019.

The strong core business performance was also derived from increased revenue from dwell Princess Street in Manchester and dwell Castle Gate Haus in Nottingham which had been acquired in 2H 2018, as well as strong occupancy of the Singapore PBWA portfolio.

Including fair valuation gains and other one-off items, net profit after tax attributable to equity holders of the Company grew by 26% to S$100.0 million.

STRATEGIC DIVERSIFICATION

The Group's portfolio has grown to 33 specialised accommodation assets, with an increase of 18% in operating capacity to 65,133 beds across 6 countries.

On track with our strategy to balance business segments and revenue streams for strategic growth and stability, PBWA revenue accounted for 64.6% of Group revenue while PBSA revenue contributed 34.3% of Group revenue in FY2019, compared with 67.1% and 31.5% respectively in FY2018.

PBWA segment revenue grew by 7% to S$86.1 million, while PBSA segment revenue rose by 21% to S$45.8 million. Segment results for PBWA grew by 5% to S$52.2 million while PBSA segment results jumped by 39% to S$19.0 million.

For the PBWA segment, Singapore remained the primary revenue source, while Malaysia continued to grow its capacity and occupancy, contributing 7.6% of Group revenue as the secondary PBWA market.

Despite uncertainties surrounding Brexit, the UK continued to perform as the primary PBSA market for the Group, contributing 20.7% of Group's revenue, while Australia grew to 9.3% of 2019 revenues as compared to 6.4% in FY2018.

FY 2019
GROUP REVENUE

S$133.4
MILLION

FY 2019
PROFIT FROM CORE BUSINESS

S$43.6
MILLION

FY 2019
TOTAL DIVIDEND

2.0 SINGAPORE
CENTS PER SHARE

CEO'S STATEMENT

Our core business revenue and profits grew in FY2019 as new portfolio capacity in both our workers and student accommodation businesses became operational, while occupancy and rental rates of our existing assets continued to perform.

GROWING AHEAD

Demand for specialised worker and student accommodation remains resilient across our markets, and effective diversification of our revenue sources provides stability for the Group in the face of global and regional uncertainties.

Assets which were completed or acquired during FY2019, such as Westlite Juniper in Singapore and dwell Archer House which was acquired in December 2019, are now operational for the full year of 2020. Westlite Bukit Minyak continues to ramp up occupancy as the pioneer PBWA in Penang's emerging worker accommodation market.

In May 2019, we began development of 3 added blocks at Westlite Tampoi, which is expected to complete in 2H 2020, further enlarging our portfolio capacity by 3,600 beds.

Redevelopment of Westlite Toh Guan is expected to commence in 3Q 2020, to integrate a training centre which will support the upgrading of manpower resources for the marine industry, and enhance occupancy and rates at the 7,800-bed asset when completed in 2022.

In the UK, we intend to carry out asset enhancements on certain properties which include refurbishments and upgrading some non-en suite rooms to en suite ones over the summer vacation.

ADDING VALUE TO PEOPLE AND PLACES

We are conscious of the impact our operations can bear on our communities and habitat. In keeping with our management philosophy of 'Business with a Heart', we make conscientious efforts to support our stakeholders in each city where we operate.

Singapore Corporate Awards 2019 –Best Annual Report

These include our staff to whom we extend equal career and personal development opportunities, our residents whom we provide with engagement programmes promoting physical, mental and social wellbeing, and also our local communities whom we actively engage with financial or social welfare programmes, including volunteerism supporting challenged persons and families.

Our Human Resource practices have been recognised by HR Excellence Awards 2019 for Excellence in Total Rewards Strategy. Our Director of Global Security and Global Security Operations Centre (or GSOC) has also been recognised at the Inaugural Security Industry Transformation Awards 2019, reflecting the Group's commitment to active security management for sustainable business continuity and crisis management.

Environmentally, we have begun to progressively implement energy-efficient lighting and fixtures to manage both energy and water consumption across all our properties around the world. We have also begun to install clean energy solutions such as solar energy panels in Singapore.

With regards to COVID-19, we have assessed the financial impact of the pandemic on our business to be limited, unless it continues for a protracted period. Nonetheless, we are deeply concerned for the safety and wellbeing of our staff and residents, and have implemented Pandemic Management Plans to contain and manage the risks and safeguard their wellbeing to our best abilities.

WELCOME AND APPRECIATION

I would like to welcome Mr David Loh and Mr Han Seng Juan as our new Joint Chairmen of the Board, and Mr Lee Wei Loon as our Independent Non-Executive Director.

I would also like to thank our preceding Chairman Mr Wong Kok Hoe and welcome him to his new roles as Deputy Chairman of the Board, and Executive Director in our senior management team.

Last, not least, I would like to thank our shareholders, Board of Directors, management team and staff, business partners and community stakeholders for their unwavering support.

Yours faithfully

KONG CHEE MIN
Chief Executive Officer

BOARD OF DIRECTORS

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

Mr. Loh Kim Kang David (羅敬惠) ("Mr. Loh"), aged 56, joined the Company on 8 May 2015 as a Non-Executive Director and was appointed as Joint Chairman of the Board on 13 November 2019. He is responsible for the formulation of corporate and business strategies of the Company. Mr. Loh was last re-elected a Director of the Company on 25 April 2019.

Mr. Loh has over 20 years of experience in the investment and brokerage industry. He has also been a Principal and Director of Centurion Global Ltd, a controlling shareholder of the Company, since April 2008 to present. He previously worked at UOB Kay Hian Pte Ltd (formerly known as Kay Hian Pte Ltd) where his last position was Director (Business Development Consultant) from July 2009 to March 2010 and 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.

From July 1999 to October 2001, Mr. Loh served as a Managing Director (Management) at UOB Kay Hian (Hong Kong) Ltd (formerly known as Kay Hian Overseas Securities Ltd). Prior to joining UOB Kay Hian Pte Ltd, he was with OUB Securities Pte Ltd as Dealing Director from August 1995 to June 1996. He 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 currently is also a director of Cape Incorporation Limited, Centurion Management and Consultancy Services Pte Ltd, Centurion Private Equity Ltd, Centurion US Student Housing Fund, Dloh Strategic Development Pte. Ltd., Luxnovo Asia Ltd, Ohmyhome Pte Ltd, PC Portfolio Pte. Ltd. and Vienna Management Ltd.

Mr. Loh obtained a Bachelor of Science from the University of Oregon in June 1988. He is the maternal cousin of Mr. Han Seng Juan (Non-Executive Director, Joint Chairman and a controlling shareholder of the Company).

MR. HAN SENG JUAN
PBM, BBM
Non-Executive Director and Joint Chairman

Mr. Han Seng Juan (韓成元) ("Mr. Han"), aged 57, joined the Company on 8 May 2015 as a Non-Executive Director and was appointed as Joint Chairman of the Board on 13 November 2019. He is responsible for the formulation of corporate and business strategies of the Company. Mr. Han was last re-elected a Director of the Company 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. He previously worked at UOB Kay Hian Pte Ltd (formerly known as Kay Hian Pte Ltd) where his last position was Director (Business Development Consultant) from July 2009 to March 2010 and he was 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.

Before 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. He 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 and the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2010 National Day Awards.

Mr. Han currently is also a director of Centurion Management and Consultancy Services Pte Ltd, Centurion Private Equity Ltd and Frontier Empire Limited.

Mr. Han obtained a Bachelor of Science from the University of Oregon in March 1987. He is the maternal cousin of Mr. Loh (Non-Executive Director, Joint Chairman and a controlling shareholder of the Company).

BOARD OF DIRECTORS

MR. WONG KOK HOE
Executive Director and Deputy Chairman

Mr. Wong Kok Hoe (黃國豪) ("Mr. Wong"), aged 57, first joined the Company on 1 August 2011 as a Non-Executive Director and Chairman of the Board. On 13 November 2019, Mr. Wong stepped down as Chairman of the Board and was re-designated from Non-Executive Director to Executive Director and appointed as Deputy Chairman of the Board. He was last re-elected a Director of the Company on 26 April 2017 and will be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2020.

Mr. Wong is assisted by the Chief Executive Officer and responsible for overseeing the Group's operations and implementation of the Company's business strategies and developing new business opportunities for the Group. He also participates in the formulation of corporate and business strategies of the Company.

Mr. Wong is a Director of Centurion Global Ltd and Centurion Properties Pte Ltd, controlling shareholders of the Company. Mr. Wong is also a Director of several other private companies.

Prior to joining Centurion Global Ltd in 2009, Mr. Wong was a practising lawyer in Singapore since he was admitted on 14 March 1990. He has more than 18 years of legal experience in 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.

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

MR. TEO PENG KWANG KELVIN
Executive Director
Chief Operating Officer – Accommodation Business

Mr. Teo Peng Kwang (趙炳光) ("Mr. Teo"), aged 60, was appointed as Chief Operating Officer of the Group's accommodation business in August 2011 and an Executive Director of the Company on 8 May 2018. He was last re-elected a Director of the Company on 25 April 2019.

He is presently responsible for the day-to-day operations and expansion of the Group's accommodation business. He also assists the Chief Executive Officer in 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 the Group's subsidiaries acquired in 2011.

Mr. Teo is also a Director of Kelvin & Elvin Investment Pte Ltd, since May 2018.

Prior to joining the Group, Mr. Teo served as 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. From January 2006 to July 2007, he served as a Director of Intertrade (S) Enterprise Pte Ltd, a company principally engaged in chemical trading.

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

He 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 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.

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

BOARD OF DIRECTORS

MR. GN HIANG MENG
Lead Independent Director

Mr. Gn Hiang Meng (鄞憲民) ("Mr. Gn"), aged 71, was appointed as an Independent Non-Executive Director on 17 May 2007 and as Lead Independent Director on 1 March 2014. Mr. Gn is also the Chairman of the Audit Committee and a member of the Nominating Committee. He was last re-elected a Director of the Company on 27 April 2018 and will be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2020.

Mr. Gn was with the United Overseas Bank Group for 28 years. Prior to his resignation in 2001, he was the Senior Executive Vice-President in charge of investment banking and stock broking businesses. He was the Deputy President of UOL Group from 2001 to 2007.

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

Mr. Gn has served as an Independent Non-Executive Director 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, property development and specialist engineering solutions provider, 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 engineering works with business interests in real estate and infrastructure since 13 August 2014, 16 August 2007, 1 December 2013 and 1 June 2013 respectively. The shares of these companies are listed on the Mainboard of SGX-ST.

MR. CHANDRA MOHAN S/O RETHNAM PBM, BBM
Independent Non-Executive Director

Mr. Chandra Mohan s/o Rethnam ("Mr. Mohan"), aged 57, was appointed as an Independent Non-Executive Director on 17 May 2007. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee. He was last re-elected a Director of the Company on 25 April 2019.

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. He is also a Director of PC Portfolio Pte Ltd.

Mr. Mohan was a lecturer with the Faculty of Law at the National University of Singapore from July 1989 to March 1995.

He was appointed to sit on the SINDA Executive Committee for the term 2015-2017 and then re-appointed for the term 2017-2019. He also served as the Chairman of its Donor Relation Sub-Committee with effect from 27 October 2015 and was a member of the SINDA SkillsFuture Sub-Committee for his second term.

Mr. Mohan has been 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).

He 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 Laws (Honours) degree from the National University of Singapore in June 1986 and a Master of Laws 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.

BOARD OF DIRECTORS

MR. OWI KEK HEAN
Independent Non-Executive Director

Mr. Owi Kek Hean (黃格賢) ("Mr. Owi"), aged 62, was appointed as an Independent Non-Executive Director on 1 January 2017. He is also the Chairman of the Nominating Committee and a member of the Audit Committee. Mr. Owi was last re-elected a Director of the Company on 26 April 2017 and will be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2020.

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 Services, 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. Owi has been appointed as an Independent Director and the Lead Independent Director of SLB Development Ltd, a company which shares are listed on the Catalist Board of SGX-ST (SGX:1J0), since 23 March 2018. He is also an Executive Director of IMO & Partners Pte Ltd, a Director of Centurion US Student Accommodation Holdings Pte Ltd and an Independent Director of Centurion US Student Accommodation Inc.

MS. TAN POH HONG
PBM, PPA (E)
Independent Non-Executive Director

Ms. Tan Poh Hong (陳寶鳳) ("Ms. Tan"), aged 61, was appointed as an Independent Non-Executive Director of the Company on 8 May 2018 and was last re-elected a Director of the Company on 25 April 2019. She is also a member of the Remuneration Committee and a member of the Nominating Committee.

Ms. Tan previously served as the Chief Executive Officer of Agri-Food & Veterinary Authority (AVA) of Singapore from May 2009 to September 2017 and was responsible for the implementation of the organisation's policies and strategies.

Prior to her appointment at AVA, Ms. Tan was Deputy CEO of the Housing and Development Board (HDB) from September 2004 to March 2009, where she was responsible for the planning, development and management of HDB properties. She also held various leadership positions in HDB, including as Director of Corporate Development.

Ms. Tan is a Fellow with the Centre for Liveable Cities, council member of the Singapore Red Cross, and a board member of the Industrial & Services Cooperative Society Ltd. She has been appointed an Independent Director of VICOM Ltd and Sheng Siong Group Ltd., companies incorporated in the Republic of Singapore which shares are listed on Mainboard of SGX-ST, since 25 April 2019 and 5 January 2018, respectively. She is also an Independent Director of AnnAik Limited, a company incorporated in the Republic of Singapore which shares are listed on the Catalist Board of SGX-ST, since 26 July 2018. She has also been a Director on the Board of Barramundi Asia Pte Ltd and Jilin Food Zone Pte Ltd, since 5 March 2018 and 1 October 2019, respectively.

Ms. Tan has a Bachelor of Science (Honours) in Estate Management from the National University of Singapore, and a Master of Business Administration (with Distinction) from New York University. She was awarded the Public Administration Medal (Gold) in August 2013, and the Public Service Medal in August 1999 by the Singapore Government.

BOARD OF DIRECTORS

MR. LEE WEI LOON
Independent Non-Executive Director

Mr. Lee Wei Loon (李維倫) ("Mr. Lee"), aged 40, was appointed as an Independent Non-Executive Director of the Company on 13 November 2019 and will be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2020. Mr. Lee is also a member of the Remuneration Committee.

Mr. Lee has been a Director, Executive Vice President and CEO of Asia of Watchbox Asia since August 2019. He is also a Director of Novena Global Healthcare Group (Cayman). He was previously an Executive Director, Investment Banking Division, of Morgan Stanley Asia (Singapore) from October 2017 to August 2019 and a Director Commissioner of PT Morgan Stanley Asia International (Indonesia) from January 2015 to September 2017. Prior to that, he was an Executive Director, Institutional Equities Division, of Morgan Stanley Asia (Singapore) from June 2012 to January 2015, a Director, Asian Equities Sales, at Bank of America Merrill Lynch (Singapore) from May 2010 to June 2012, and Vice President, Asian Equities Sales & Trading, Hedge Fund Sales, of Credit Suisse (New York and Singapore), from May 2004 to March 2010.

Mr. Lee obtained a Bachelor of Science degree with a major in Finance from the New York University, Stern School of Business in May 2004.

SENIOR MANAGEMENT

MR. WONG KOK HOE
Executive Director and Deputy Chairman

Mr. Wong Kok Hoe was re-designated from Non-Executive Director to Executive Director of the Company in November 2019. Please refer to his profile under the Board of Directors section of this Annual Report (see page 9).

MR. KONG CHEE MIN
Chief Executive Officer

Mr. Kong Chee Min (江志明) ("Mr. Kong"), aged 54, was appointed as the Chief Executive Officer of the Group in August 2011 and is responsible for overall management of the Group's operations, implementation of business strategies and the long-term growth objectives approved by the Board. He joined the Group in March 1996 and was appointed a member of the Board on 28 March 2000. He stepped down as a Board member on 8 May 2015.

Prior to Mr. Kong's appointment as Chief Executive Officer, he was the Regional Chief Executive Officer and Finance Director of the Group. He also assisted the ex Group CEO in managing and driving the strategic development and growth of the Group's optical disc business.

Prior to joining Centurion, 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 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).

MS. FOO AI HUEY
Chief Financial Officer

Ms. Foo Ai Huey (符愛慧) ("Ms. Foo"), aged 51, was appointed as the Chief Financial Officer after the Group enlarged its principal business activities to include the accommodation business. She was previously the Group's Finance Manager since she joined the Company in April 2000.

Currently, she heads the finance team and manages the full spectrum of finance and management reporting requirements.

Prior to joining the 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 and had also worked as an internal auditor in a Singapore-listed Company.

Ms. Foo has accumulated more than 27 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.

Ms. Foo obtained a Bachelor of Commerce from the University of Newcastle, Australia, in May 1992. She has been 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.

SENIOR MANAGEMENT

MR. TEO PENG KWANG KELVIN
Executive Director and Chief Operating Officer – Accommodation Business

Mr. Teo Peng Kwang was appointed as Chief Operating Officer of the Group's Accommodation Business in August 2011 and as an Executive Director of the Company in May 2018. Please refer to his profile under the Board of Directors section of this Annual Report (see page 9).

MR. HO LIP CHIN
Chief Investment Officer – Accommodation Business

Mr. Ho Lip Chin (何立錦) ("Mr. Ho"), aged 51, joined the Group in January 2012 as Director, Investments before his appointment as Chief Investment Officer of Accommodation Business in 2015.

He is responsible for growing the Group's accommodation business and assists in the Group's strategic planning activities. He has over 20 years of experience in the real estate and hospitality industries across Asia Pacific. Prior to joining the Group, he was Director, Real Estate at Centurion Properties Pte Ltd (a subsidiary of our controlling shareholder, Centurion Global Ltd) from May 2010 to January 2012, where he was involved in its real estate investments and workers accommodation business.

From July 2002 to May 2010, Mr. Ho worked in a number of companies in the real estate and hospitality industries. He was a Senior Vice President of Investment at Pramerica Real Estate Investors (Asia) Pte Ltd, a fund management company principally engaged in real estate investment, from March 2008 to 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; a Director of Development, Southern Asia, from January 2003 to January 2007 at Intercontinental Hotels Group, a company principally engaged in managing hotels; a Senior Associate from July 2002 to January 2003 at HVS International Singapore, a hospitality consulting firm; an Investment Manager at an investment holding company HKR Asia-Pacific Pte Ltd, from January 1996 to June 2002; and a Management Trainee at Shangri-La Hotel, a company principally engaged in hotel operations, from September 1994 to March 1995 and from August 1989 to January 1990.

Mr. Ho obtained a Bachelor of Science in Business Administration and a Master of Business Administration from the University of San Francisco.

MR. LEONG SIEW FATT
Head, Student Accommodation Business

Mr. Leong Siew Fatt (梁兆發) ("Mr. Leong"), aged 53, joined the Group in 1993 as an engineer and is currently the Head of Student Accommodation Business. He is responsible for the overall management of the Group's student accommodation business across the United Kingdom, the United States, South Korea, Australia and Singapore.

Prior to the appointment of his current role, Mr. Leong was responsible for the operations of the Group's workers accommodation in Malaysia as well as the technical and manufacturing operations of its Optical Disc Business. He has extensive technical, operational and management experience spanning 32 years.

Mr. Leong has a Bachelor of Engineering Management from the University of Western Sydney.

SENIOR MANAGEMENT

Ms. Lee Geok Ing (李玉英) ("Ms. Lee"), aged 58, was appointed a member of the Board on 11 August 1994 and became the Group's Human Resources and Administration Manager in January 1995. She stepped down from the Board on 18 May 2007 but remains as Human Resources and Administration Manager.

Ms. Lee has over 33 years of accounting, human resource and administrative experience. Prior to joining the Group, she 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.

MS. LEE GEOK ING JANICE
Human Resources & Administration Manager

Mr. Lim Choon Kwang (林俊光) ("Mr. Lim"), aged 51, joined the Group in October 2016 as Director of Security, and is responsible for providing strategic leadership to the Group on security management and business continuity.

Mr. Lim has over 27 years of experience in law enforcement and security management in both the public and private sectors, where he last held a regional position as Security Operations Manager with Apple South Asia Pte Ltd, a company principally engaged in the manufacture and distribution of electronic products, from July 2015 to April 2016.

Mr. Lim was Director of Security Management at Singapore Power, a company principally engaged in the transmission and distribution of electricity and gas, from June 2011 to April 2015. Before Singapore Power, Mr. Lim was a Security Consultant in Shanghai as Vice President, Risk Management & Protective Security at Hill & Associates (PRC) Ltd, a company principally engaged in risk management and security consultancy in Asia from July 2010 to May 2011. He also served as Deputy Director of Security at the National University of Singapore from May 2009 to July 2010, where he helped in developing a strategic security master plan for NUS.

Before joining the corporate sector, Mr. Lim was a Deputy Superintendent of Police with the Singapore Police Force from April 1996 to May 2009, and had held leadership positions in operations, investigations, specialist operations, and training in public order and public security. His last position held before leaving the civil service was a Senior Analyst in the Prime Minister's Office Singapore.

Mr. Lim obtained a Bachelor degree of Science in Banking and Finance from the University of London in August 1995, and a Master's degree in Security Management from Australia's Edith Cowan University. He is currently serving as Honorary Chairman in the Management Committee of ASIS International (Singapore Chapter) for 2019-2020.

MR. LIM CHOON KWANG
Director of Global Security

Mr. Yeo Boon Hing, David (楊文興) ("Mr. Yeo"), aged 66, is the Director of Corporate Research and Innovation. He is responsible for the research and identification of new business models, market trends, innovative technologies and opportunities for the Group's workers and student accommodation business in existing and new markets. He is also tasked to research and make recommendations on new business opportunities that align with the Group's growth.

He was previously the Group's Regional Sales & Marketing Director, responsible for the regional sales and marketing function of the optical disc business. He has a wealth of in-depth sales and marketing experience and management experience in both local and multi-national organisations. Mr. Yeo first joined Summit CD Manufacture Pte Ltd, a Singapore subsidiary of the Group, as Sales and Marketing Director in 1997.

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 overseeing its local operations.

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

MR. YEO BOON HING, DAVID
Director of Corporate Research and Innovation

COMPANY SECRETARY

MS. CHEUNG YUET FAN (張月芬)

Ms. Cheung Yuet Fan (張月芬) ("Ms. Cheung") was appointed as the Hong Kong company secretary of our Company on 19 June 2019.

She is a Director of the Corporate Services Division of Tricor Services Limited ("Tricor"), a global professional services provider specialising in integrated business, corporate and investor services. Ms. Cheung 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.

She is currently acting as the company secretary or joint company secretary of several companies, the shares of which are listed on the Stock Exchange of Hong Kong Limited. Ms. Cheung is a chartered secretary and a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. Prior to joining Tricor, Ms. Cheung had worked in the Company Secretarial Department of Deloitte Touche Tohmatsu in Hong Kong and also in the role of company secretary and corporate governance area in various Hong Kong listed companies. She holds a Bachelor of Arts degree in Accountancy from City Polytechnic of Hong Kong (now known as City University of Hong Kong). (Note: The Company has engaged Tricor as an external service provider).

MS. HAZEL CHIA LUANG CHEW (謝鸞秋)

Ms. Hazel Chia Luang Chew (謝鸞秋) ("Ms. Chia") was appointed as Company Secretary of the Company on 30 January 2015. She also previously served as a company secretary of the Company from 12 January 1995 to 17 June 2005 and from 1 January 2006 to 31 July 2014. She has been responsible for the 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 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 has over 30 years of experience in corporate secretarial practice, having worked in several established professional corporate services companies in Singapore, namely, Lim Associates (Pte) Ltd, a member of Boardroom Limited and KCS Corporate Services Pte Ltd, and acted as company secretary to several companies listed on the Singapore Stock Exchange and private limited companies incorporated in Singapore.

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.

MS. JULIANA TAN BENG HWEE (陳明慧)

Ms. Juliana Tan Beng Hwee (陳明慧) ("Ms. Tan") was appointed as Company Secretary of the Company on 1 January 2017. She also previously served as a company secretary of the Company from 1 January 2006 to 30 January 2015. She has been responsible for the 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 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 has over two decades of experience in corporate secretarial practice, having worked in several established professional corporate services companies, namely, Lim Associates (Pte) Ltd, a member of Boardroom Limited and KCS Corporate Services Pte Ltd, and acted as company secretary to several companies listed on the Singapore Stock Exchange and private limited companies incorporated in Singapore.

Ms. Tan holds a Bachelor of Science (Economics) in 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.

CORE SUBSIDIARIES AND ASSOCIATES

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 3288
Email: enquiry@centurioncorp.com.sg
Website: www.centurioncorp.com.sg

WESTLITE DORMITORY (TOH GUAN) PTE LTD
28 Toh Guan Road East #02-01
Singapore 608596
Tel: (65) 6316 3018
Fax: (65) 6316 3020
Email: tohguan@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

WESTLITE JUNIPER (MANDAI) PTE LTD
23 Mandai Estate #01-13
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Email: enroll.juniper@westlite.com.sg
Website: www.westlite.com.sg

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1A Short Street
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5C Jalan Papan #02-29
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Fax: (65) 6250 2261
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Website: www.westlitepapan.com.sg

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Website: www.westlite.com.sg

SM SUMMIT HOLDINGS PTE LTD
SUMMIT CD MANUFACTURE PTE LTD
45 Ubi Road 1 #04-02
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Fax: (65) 6748 9612
Email: angela@smsummit.com.sg
Website: www.smsummit.com.sg

MALAYSIA

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WESTLITE DORMITORY MANAGEMENT SDN BHD
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Fax: (607) 555 9351
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Website: www.dwellstudent.com.au

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Website: www.dwellstudent.com.au

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Website: www.dwellstudent.co.uk

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Email: inquiries@dwellstudent.com

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Dwell Dongdaemun
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Dongdaemun-gu, Seoul
South Korea, Republic of Korea (02446)
Tel: +85-2-957 8008/0700
Fax: +85-2-957 1188
Email: staydongdaemun@dwellstudent.co.kr
Website: www.dwellstudent.co.kr

SUSTAINED
STABLE **GROWTH**
THROUGH
DIVERSIFICATION

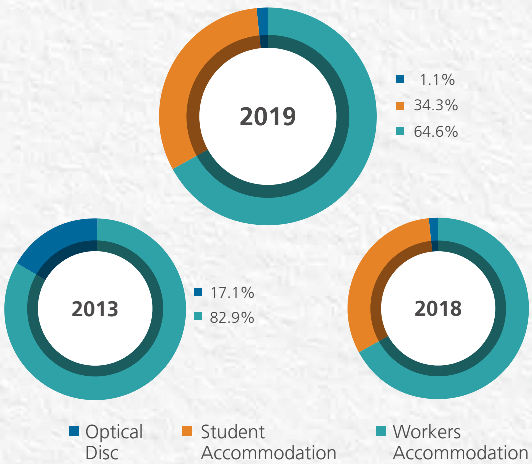
In FY2019, Centurion Corporation continued to grow its business portfolio in line with its strategic vision for stable and sustainable growth. The strategy comprises two drivers: to establish and scale two distinct core business segments both delivering strong operating performance, and to expand its geographic markets for further diversification and resilience to market fluctuations.

During the year, the Group expanded its Purpose-Built Worker Accommodations (PBWA) portfolio by 8,900 beds, with the development completion of Westlite Bukit Minyak in Penang Malaysia, master leases secured at Westlite Pasir Gudang in Johor Malaysia and Westlite Juniper in Singapore.

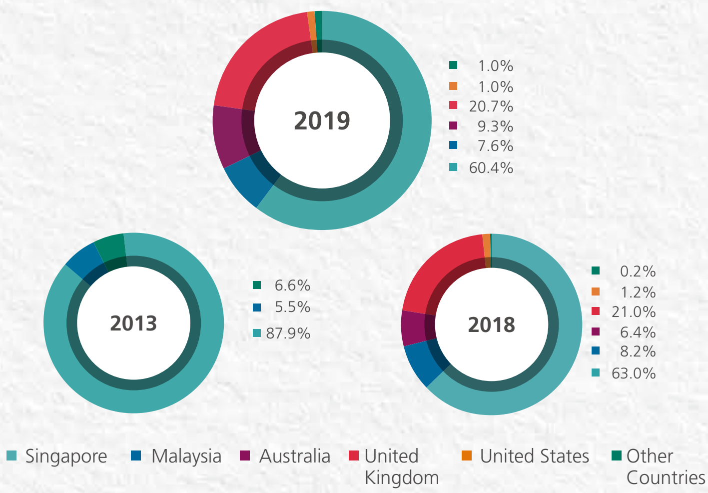
Its Purpose Built Student Accommodation (PBSA) portfolio also grew by 825 beds, with the completion of dwell East End Adelaide development and RMIT Village Asset Enhancement Programme, as well as the acquisitions of dwell Dongdaemun in Seoul Korea and dwell Archer House in Nottingham UK.

In the pipeline for FY2020, there is the development of an additional three blocks at Westlite Tampoi. This will add 3,600 beds to the Group's business portfolio by its expected completion in 3Q 2020.

REVENUE BY BUSINESS SEGMENT (%)

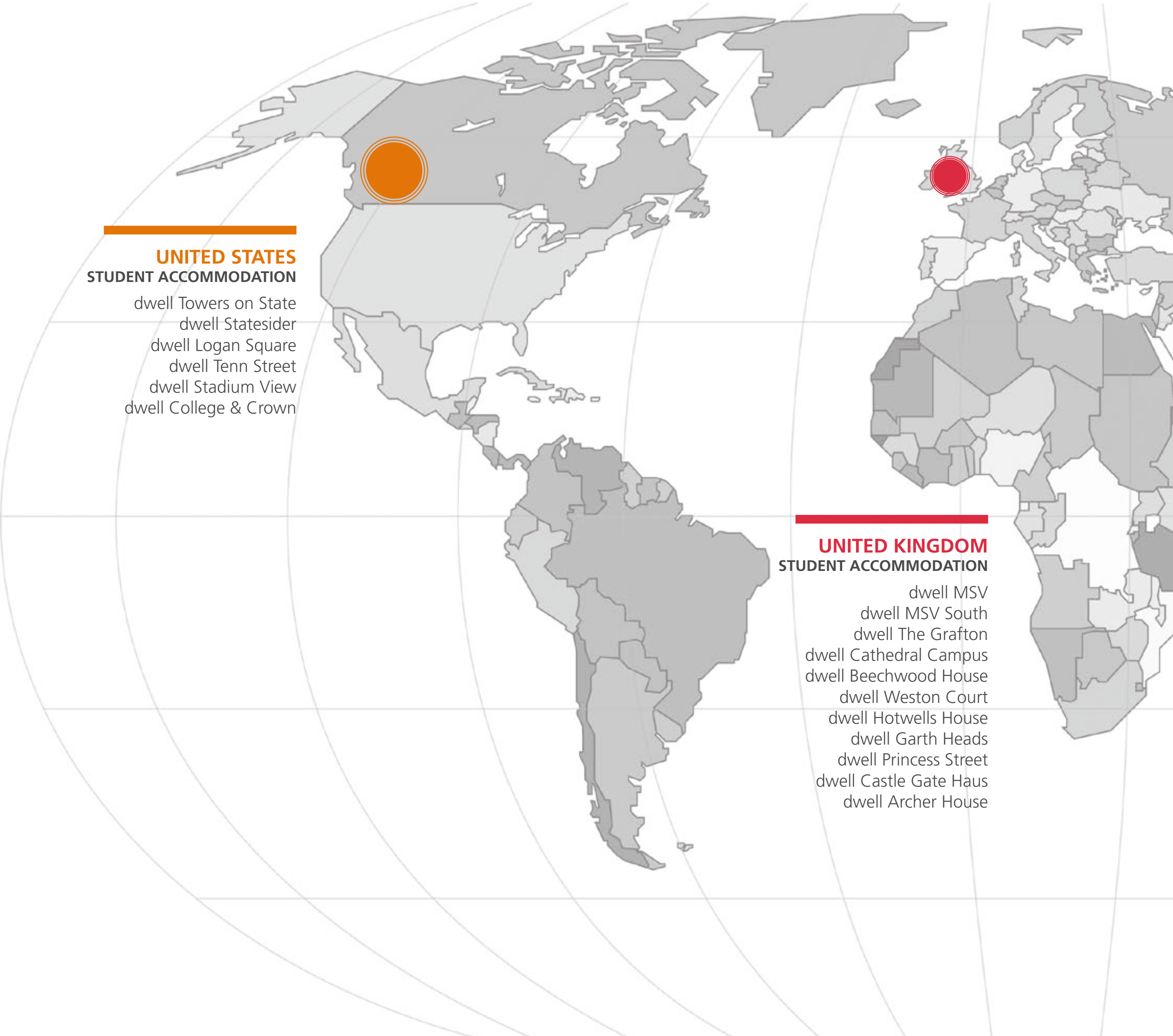


REVENUE BY GEOGRAPHY (%)



GLOBAL PRESENCE

As at 31 December 2019, the Group owns and manages 33 accommodation assets totalling 65,133 beds, across two specialised accommodation asset types, and six geographic markets. Following the completion of projects currently under development, the Group's portfolio of accommodation assets is expected to grow to approximately 68,733 beds by FY2020.



GLOBAL PRESENCE

OPERATING ASSETS

65,133
BEDS IN TOTAL

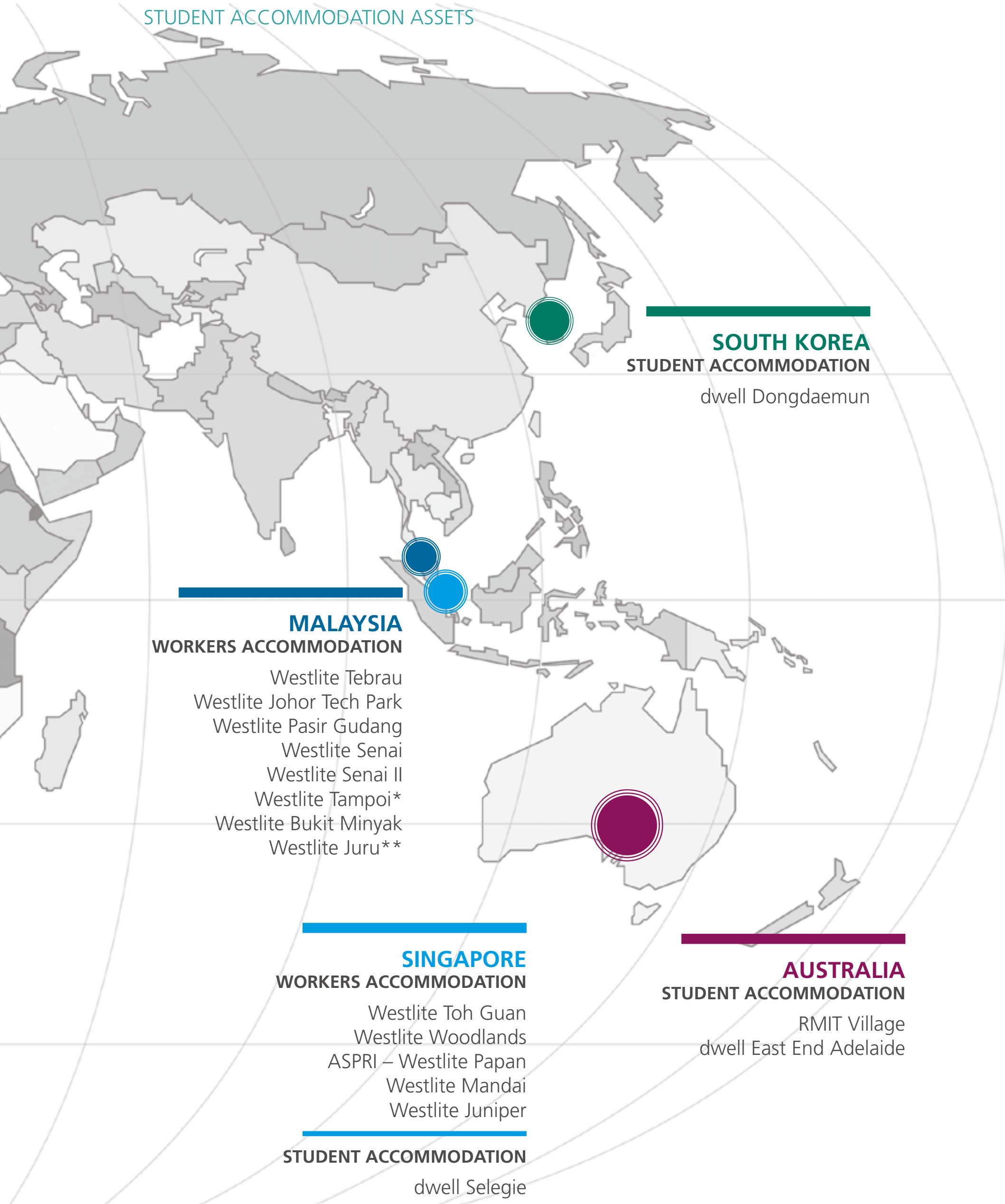
12
WORKERS ACCOMMODATION

21
STUDENT ACCOMMODATION ASSETS

IN THE PIPELINE

2
WORKERS ACCOMMODATION PROJECTS IN MALAYSIA UNDER DEVELOPMENT/ PLANNING

3,600
BEDS TO BE OPERATIONAL IN 2020



WORKERS ACCOMMODATION

- Owner-operator of 12 quality, purpose-built workers accommodation assets in Singapore and Malaysia with consistently high average occupancy rates for FY 2019
- 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 21 quality, purpose-built student accommodation assets near leading universities in Singapore, Australia, the United Kingdom, the United States and South Korea, with healthy occupancy rates for FY 2019
- Through the Group's targeted expansion of its current PBSA portfolio in the United Kingdom and Australia, and the strategic entry into the United States and North Asia, the dwell brand has extended and deepened its reach globally, becoming a recognised name amongst student communities in urban centres

* *Development of additional 3 blocks with 3,600 beds in progress, expected completion in 2H2020*

** *Development commencement subject to planning approval and land acquisition*

BUSINESS PORTFOLIO

SINGAPORE

c.28,332

total beds operational
as at 31 December 2019

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

ASPRI-WESTLITE PAPAN (51% owned)

- c.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

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

Westlite Toh Guan

ASPRI-Westlite Papan

Westlite Mandai

BUSINESS PORTFOLIO


Westlite Woodlands


dwell Selegie

Westlite Juniper

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

WESTLITE JUNIPER

- c.1,900 beds
- Land tenure: 10-year lease (wef 2019, with an option to renew for another 5 years)
- Land area: 4,255 sqm
- Conveniently located in the Mandai Estate, the accommodation is in close proximity to Sungai Kadut and Woodlands industrial districts

DWELL SELEGIE

- c.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

BUSINESS PORTFOLIO

MALAYSIA

c.30,700

Total beds operational as at 31 December 2019

PENANG

WESTLITE BUKIT MINYAK

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

WESTLITE JURU

(Development commencement subject to planning approval and land acquisition)

- c.6,100 beds
- Land tenure: 99 years
- Land area: 26,709 sqm

JOHOR

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

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

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

Development of additional 3 blocks
(Under construction)

- c.3,600 beds
- Expected to be completed in 2H 2020

Westlite Bukit Minyak

Westlite Juru

Westlite Senai

BUSINESS PORTFOLIO


Westlite Senai II


Westlite Tampoi


Westlite Johor Tech Park


Westlite Tampoi – development of additional 3 blocks


Westlite Pasir Gudang


Westlite Tebrau

WESTLITE PASIR GUDANG

- c.2,000 beds; c.400 beds (leased adjacent block in Westlite Pasir Gudang)
- Land tenure: 99 years (wef 1986); 9 years lease (wef 2019)
- Land area: 8,391 sqm; 2,268 sqm
- Located near the industrial zone within Pasir Gudang

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

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

BUSINESS PORTFOLIO

UNITED KINGDOM

c.2,852

Total beds operational as at 31 December 2019

DWELL MSV

- c.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

DWELL MSV SOUTH

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

DWELL THE GRAFTON

- c.145 beds
- Land tenure: Freehold
- Land area: 2,000 sqm
- Located off the main Oxford Road and short walk to the University of Manchester's main campus

DWELL CATHEDRAL CAMPUS

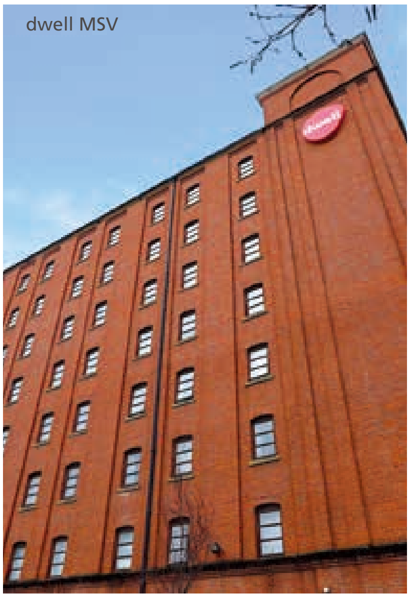
- c.383 beds
- Land tenure: 250 years (wef 2007)
- Land area: 16,400 sqm
- Close proximity to Liverpool John Moores University, Liverpool Institute of Performing Arts, and Liverpool City Centre

DWELL BEECHWOOD HOUSE

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

DWELL WESTON COURT

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



dwell MSV

dwell MSV South

dwell The Grafton

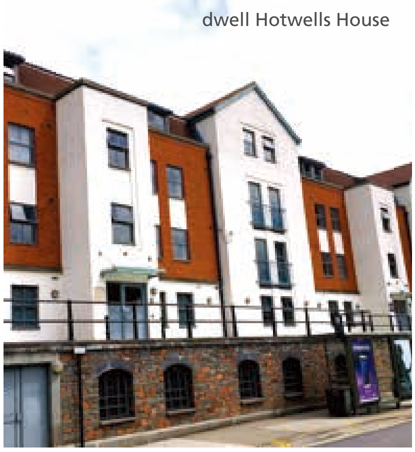
dwell Cathedral Campus

dwell Beechwood House

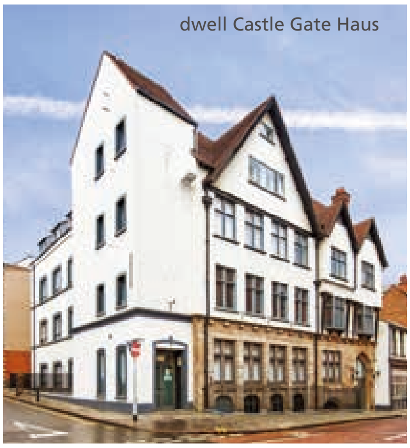
dwell Weston Court

BUSINESS PORTFOLIO


dwell Garth Heads


dwell Hotwells House


dwell Princess Street


dwell Castle Gate Haus

dwell Archer House

DWELL HOTWELLS HOUSE

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

DWELL GARTH HEADS

- c.181 beds
- Land tenure: 125 years (wef 1995)
- Land area: 2,000 sqm
- Located within a short walk to both Northumbria University and Newcastle University

DWELL PRINCESS STREET

- c.127 beds
- Land tenure: freehold
- Land area: 500 sqm
- Short walk to University of Manchester and Manchester Metropolitan University

DWELL CASTLE GATE HAUS (14.29% owned)

- c.133 beds
- Land tenure: freehold
- Land area: 1,230 sqm
- Short walk to Nottingham Trent University and short drive to the University of Nottingham

DWELL ARCHER HOUSE

- c.177 beds
- Land tenure: freehold
- Land area: 1,133 sqm
- Located close to the University of Nottingham and Nottingham Trent University

BUSINESS PORTFOLIO

UNITED STATES

c.2,145*

Total beds operational as at 31 December 2019

DWELL TOWERS ON STATE

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

DWELL STATESIDER

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

DWELL LOGAN SQUARE

- c.642 beds
- Land tenure: Freehold
- Land area: 45,891 sqm
- Located close to Auburn University

DWELL TENN STREET

- c.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

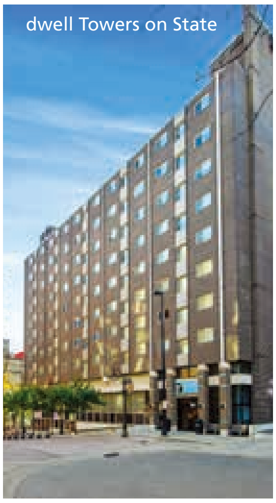
DWELL STADIUM VIEW

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

DWELL COLLEGE & CROWN

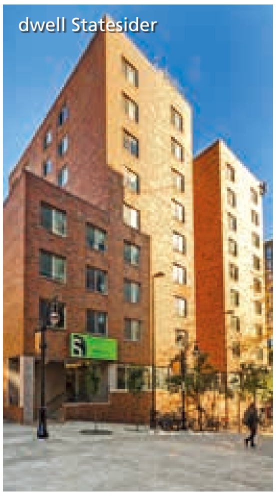
- c.206 beds
- Land tenure: Freehold
- Land area: 4,484 sqm
- Preferred apartments located close to University and Yale New Haven Hospital

** 28.7% owned*


dwell Towers on State


dwell Logan Square


dwell Tenn Street


dwell Statesider


dwell Stadium View


dwell College & Crown

BUSINESS PORTFOLIO

AUSTRALIA

c.896

Total beds operational as at 31 December 2019

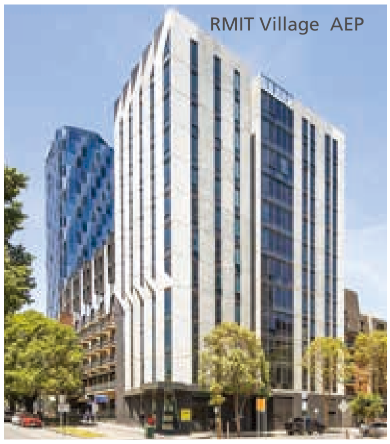
DWELL EAST END ADELAIDE

- c.280 beds
- Land tenure: Freehold
- Land area: 598 sqm
- Located close to University of Adelaide and University of South Australia – City East Campus

RMIT VILLAGE

- c.616 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

dwell East End Adelaide



RMIT Village AEP

RMIT Village

SOUTH KOREA

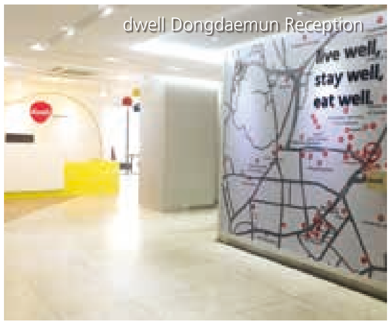
c.208

Total beds operational as at 31 December 2019

DWELL DONGDAEMUN (55% owned)

- c.208 beds
- Land Tenure: Freehold
- Land Area: 968 sqm
- Short walk to Kyunghee University, University of Seoul, KAIST (fka Korea Advanced Institute of Science and Technology) and Hankuk University of Foreign Studies

dwell Dongdaemun



dwell Dongdaemun Reception

dwell Dongdaemun Social Hall

KEY FIGURES

REVENUE (FY2019)

S$133.4m

from S$120.1m in 2018

11% increase YoY

GROSS PROFIT (FY2019)

S$96.9m

from S$86.3m in 2018

12% increase YoY

CORE PROFIT [1] (FY2019)

S$38.2m

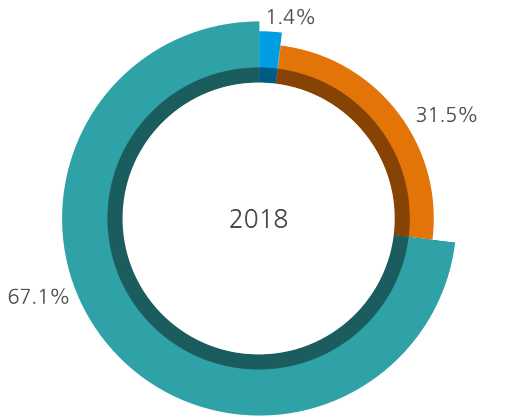
from S$34.3m in 2018

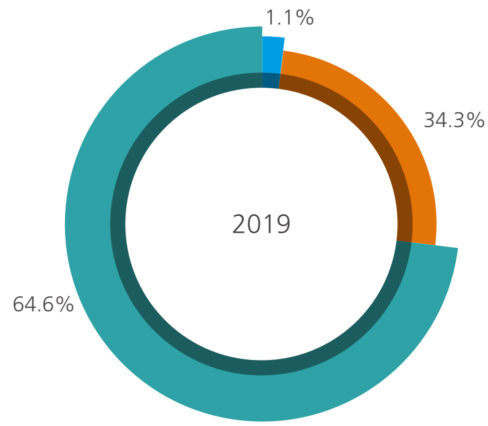
12% increase YoY

[1] Attributable to equity holders

SEGMENTAL REVIEW

REVENUE CONTRIBUTION BY BUSINESS SEGMENT (%)

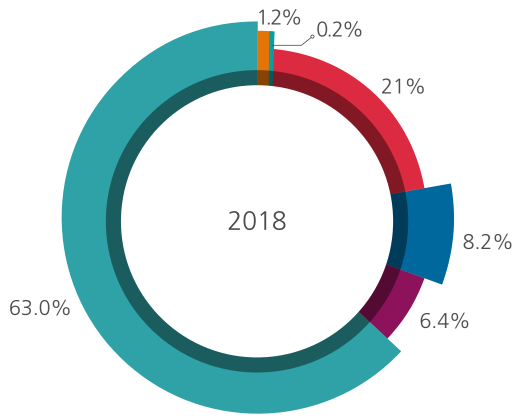


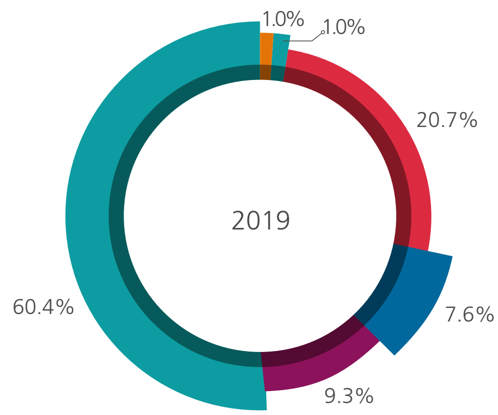


Optical Disc | Student Accommodation | Workers Accommodation

SEGMENTAL REVIEW

REVENUE CONTRIBUTION BY GEOGRAPHY (%)





Singapore | Australia | Malaysia | United Kingdom | United States | Other countries

KEY FIGURES

REVENUE (S$000)

EBITDA – CORE BUSINESS[2] (S$000)

GROSS PROFIT (S$000)

EARNINGS PER SHARE – CORE BUSINESS[2] (CENTS)

NET PROFIT[1] FROM CORE BUSINESS[2] (S$000)

NET ASSET VALUE PER SHARE (CENTS)

[1] Attributable to Equity Holders of the Company

[2] Core business exclude one-off items which refer to fair value gains/losses on investment properties and rent guarantee, investment write-down in associated company, deferred tax arising from fair value gains and dual primary listing expenses

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

(S$'000)	FY2018	FY2019	Change %
Revenue	120,070	133,353	11
Gross Profit	86,321	96,936	12
Gross Profit Margin	72%	73%	+1 ppt
Net Profit After Tax (including one-off items*)	84,151	103,788	23
Net Profit After Tax# (including one-off items*)	79,326	99,951	26
Profit from Core Business Operations# (recurring, excluding one-off items*)	34,271	38,232	12

Attributable to Equity Holders of the Company

* *One-off items refer to fair value gains/losses on investment properties and rent guarantee as well as deferred tax arising from fair value gains.*

GROSS REVENUE

The Group reported a revenue of S$133.4 million in FY2019, an 11% increase from S$120.1 million in FY2018. The increase was largely driven by the revenue contribution from newly developed assets and assets acquired and lease obtained in late FY2018 and within FY2019, including dwell East End Adelaide in Australia, dwell Princess Street and dwell Castle Gate Haus in the United Kingdom (UK), and Westlite Juniper in Singapore. Additional beds derived from the Asset Enhancement Programme (AEP) in RMIT Village Melbourne, Australia, as well as higher occupancy rates achieved on the workers accommodation portfolio in Singapore also contributed to the increase in revenue.

During the year under review, the Group's accommodation business continued to remain stable and contributed 98.9% of the Group's revenue as at 31 December 2019. This is on par with the 98.6% in the year-ago period.

The Group's PBWA portfolio, excluding Westlite Bukit Minyak, enjoyed a healthy average occupancy rate of 95.1%. Westlite Bukit Minyak is still in the midst of ramping up occupancy as the Malaysia government moves towards enforcement of its bill on workers' housing and amenities. In FY2019, the Group reported a 6.8% year-on-year increase in revenue from the Group's workers accommodation business to S$86.1 million, which accounted for 64.6% of the Group's revenue. The increase is mainly due to revenue contribution from Westlite Juniper and a higher occupancy rate in the PBWA portfolio in Singapore.

The Group's student accommodation business, with an average 88.7% occupancy rate, accounted for 34.3% of the Group's revenue. Revenue from the student accommodation business grew by 21.4% from S$37.7 million in FY2018 to S$45.8 million in FY2019, boosted by contributions from newly developed and acquired student assets such as dwell East End Adelaide, RMIT Village, dwell Princess Street and dwell Castle Gate Haus.

The Optical Disc Business, wholly-owned and operated through one of the Group's subsidiary in Singapore, contributed the remaining 1.1% in revenue. Revenue from this business segment decreased slightly to S$1.4 million in FY2019, down from S$1.7 million in FY2018, on the back of continued weakness in the physical optical disc media.

While there remains great uncertainty in the general macroeconomic conditions, the Group remains optimistic in strengthening its leading position in the PBWA sector within Singapore, and further building on its first mover advantage in Malaysia given sound demand and supply dynamics. 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.

FINANCIAL REVIEW

PROFITABILITY

In line with increased revenue in FY2019, gross profit increased by 12% to S$96.9 million in FY2019, compared to S$86.3 million in FY2018. The Group posted moderate gross profit margin growth during the year under review; gross profit margin increased 1 percentage point year-on-year to 73% in FY2019. The Group's expanded business operations resulted in an increase of S$0.3 million in distribution costs and S$2.8 million in administrative costs. Finance expenses increased by S$4.8 million, mainly due to new borrowings to fund the Group's expansion, higher interest rates on the Group's borrowings and interest on lease liabilities resulting from adoption of IFRS 16.

Following an independent valuation of the Group's investment properties and assets held for sale as at 31 December 2019, the Group recorded net fair valuation gains of S$66.3 million in FY2019 as compared to S$48.6 million in FY2018. The fair value gains were mainly derived from the fair value uplift on the Group's Westlite Toh Guan investment property where it receives a written permission to intensify the property and the use of the property as a workers dormitory and its lease will be extended by 25 years. The gains were partially offset against fair value losses on right of use of investment properties of S$4.2 million.

Share of profit of associated companies and joint venture was S$5.8 million lower as compared to FY2018 mainly due to fair value loss from investment properties in the United States of S$5.2 million and lower contribution from the Centurion US Student Housing Fund.

Income tax expenses reduced by S$5.2 million mainly due to the provision for lower deferred tax arising from fair valuation gains by S$3.3 million in FY2019 as well as adjustments for overprovision in prior financial years.

Accordingly, the net profit after tax derived from the Group's operations for FY2019 was S$103.8 million, a year-on-year growth of 23%, or S$19.6 million.

Excluding one-off items in the form of fair value gains on investment properties and deferred tax arising from fair value gains, profit derived from the Group's core business operations was S$43.6 million in FY2019, up by 10% from the year ago period. The Group's net profit from core business operations attributable to equity holders of the Company increased by 12% to S$38.2 million in FY2019.

Earnings per share from core business in FY2019 increased to 4.55 cents, up 0.47 cents from 4.08 cents in FY2018. Net asset value per share for the Group stands at 70.43 cents for FY2019, a growth of 10.09 cents from 60.34 cents in FY2018.

CASH FLOWS

The Group's operational accommodation assets continued to generate positive operating cash flows, before working capital changes, of S$75.4 million in FY2019, up from S$67.5 million in FY2018.

In FY2019, the net cash used in investing activities amounting to S$33.8 million was mainly used to fund the acquisition of dwell Archer House, development of RMIT Village AEP and Westlite Tampoi II, which was offset with dividends received from associated companies.

The Group recorded net cash of S$52.0 million used in financing activities in FY2019 following the redemption of the Multicurrency Medium Term Notes ("MTN") Series 3 Notes, the issuance of the MTN Series 4 Notes, repayment of borrowings as well as interest and 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$15.6 million. It continues to maintain a healthy cash and bank balances of S$48.6 million as at 31 December 2019, compared to S$62.9 million in FY2018.

CAPITAL AND RISK MANAGEMENT

Foreign Currency Risks

The Group is cognisant of its exposure to the Australia, Korea, Malaysia, the UK and the US 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 sales and purchases in the same foreign currency. 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.

FINANCIAL REVIEW

To manage liquidity risk arising from expansion and development plans, the Group ensures that there are sufficient cash and short terms deposits and bank facilities to meet any short-term liabilities and unanticipated fund requirements. As at 31 December 2019, the Group has sufficient unutilised credit facilities of approximately S$109.5 million and cash and bank balances of S$48.6 million.

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$750 million in which the Group can readily tap the debt capital market for funds. Centurion has successfully raised S$310 million from debt capital markets over four different occasions over the years, including the latest issuance of the MTN Series 4 of S$60 million in FY2019.

Capital Management

The Group's objectives when managing capital are to safeguard its ability to operate profitably and to maintain an optimal capital structure 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 2019, the Group had an average long-term bank debt maturity profile averaging seven years while its net gearing ratio stands at 51%, a decrease compared to 54% as at 31 December 2018. The Group's interest cover continues to be adequate and is within its interest cover threshold, standing at 2.8 times (or 3.7 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.

DIVIDENDS

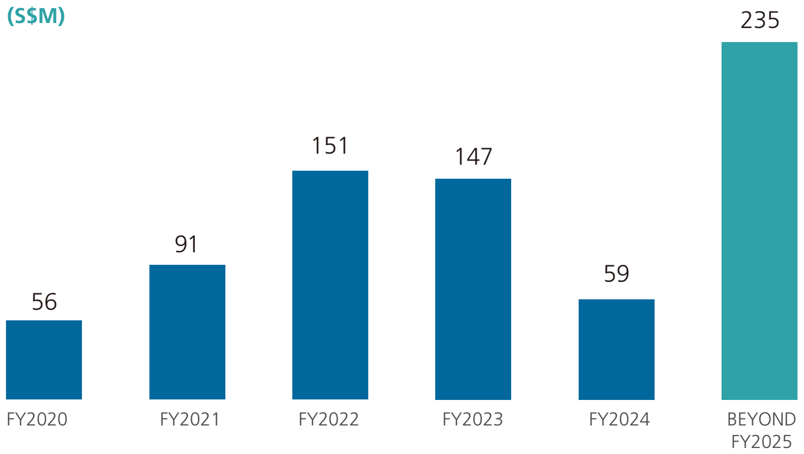
The Group remains focused on enhancing long-term shareholders' value by managing and growing its business to deliver sustainable earnings growth.

Although the Group does not have a fixed dividend policy, it has a track record of distributing cash dividends to shareholders since FY2012. In line with the Group's positive financial performance in the past four financial years, the Group has been paying dividends since the second quarter of FY2015.

To reward the Group's valued shareholders, the Board declared an interim dividend of 1.0 Singapore cent per share for FY2019, amounting to approximately S$8.4 million. The dividend was fully settled in cash from operating activities of the Group on 12 September 2019. For FY2019, the Board has recommended a final dividend of 1.0 Singapore cent per share, bringing the total dividend payout to 2.0 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.

DEBT MATURITY PROFILE AS AT 31 DECEMBER 2019 (S$M)



GROUP STRUCTURE

Centurion Corporation Limited

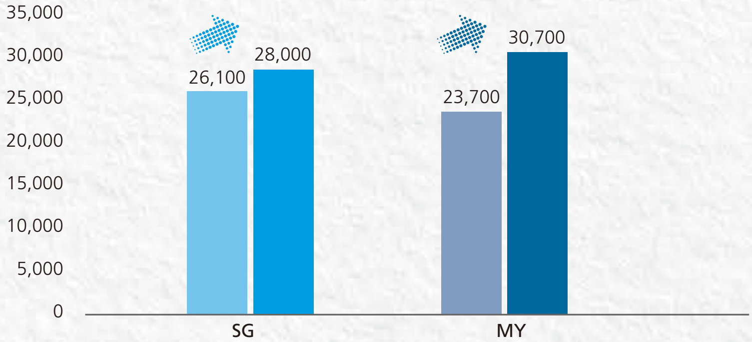
The Group expanded its portfolio bedcount by 18% in FY2019, adding 9,725 beds across Singapore, Malaysia, Australia, South Korea and the UK.

These included developments completed in Penang, Malaysia and Adelaide, Australia; acquisitions in Seoul, Korea and Nottingham, UK; an asset enhancement programme completed in Melbourne, Australia; and master leases secured in Johor, Malaysia and in Singapore.

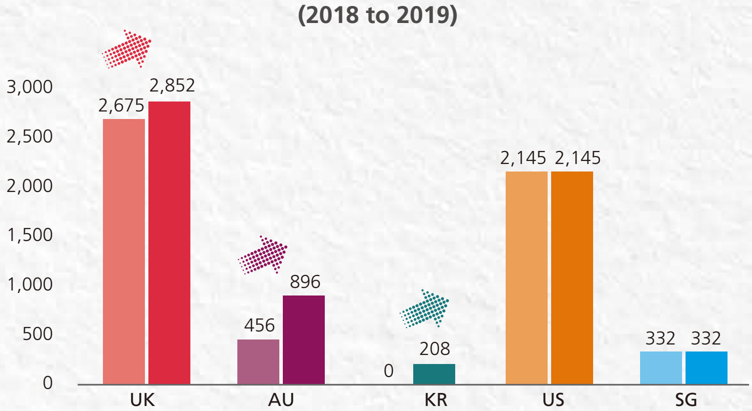
The enlarged portfolio propelled the Group's growth in revenue and net profit from core business for FY2019, as well as an improvement in gross profit margin. In particular, assets in Australia, the UK and Singapore contributed to the strong FY2019 performance.

Moving forward, the Group intends to continue enhancing its portfolio, both organically and through selective acquisitions, to enable stable and sustainable growth in FY2020 and beyond.

PBWA BEDCOUNT GROWTH (2018 to 2019)



PBSA BEDCOUNT GROWTH (2018 to 2019)



ADDED
ASSETS
AUGMENT
GROWTH

OPERATIONS REVIEW

Steady portfolio expansion in FY2019 has enabled good earnings and profit growth for the Group, as well as an improvement in gross profit margin. In addition, Westlite Tampoi has commenced development of 3 additional blocks, to add 3,600 more beds to the portfolio.

BUILDING PORTFOLIO CAPACITY IN 2019

In 1Q 2019, the Group started operations of its newly developed 280-bed dwell East End Adelaide, Centurion's first Purpose Built Student Accommodation (PBSA) asset in Adelaide and its second in Australia. The property is well-located close to the campuses of both University of Adelaide and University of South Australia, as well as the city centre.

Also in 1Q 2019, the Group began operations of 208-bed dwell Dongdaemun, in Seoul, South Korea. The accommodation property, refurbished from a former 3-star hotel, is the Group's maiden venture into the emerging student housing markets of North Asia.

Following the expansion of our PBSA operations in 1Q 2019, a 6,600-bed Westlite Bukit Minyak workers accommodation in Penang, Malaysia which completed fitting-out works, became operational in 2Q 2019. This is the Group's first Purpose-Built Worker Accommodation (PBWA) in Penang and its seventh in Malaysia, Westlite Bukit Minyak is strategically located near the main Bukit Minyak highway and was developed in collaboration with the local State Government.

In Johor Malaysia, Westlite also secured the lease of an existing operational block of 400 beds adjacent to Westlite Pasir Gudang in May 2019.

In the same quarter, the Asset Enhancement Programme in Melbourne was completed, adding 160 operational PBSA beds to RMIT Village.

In Singapore, a PBWA with master lease of 10 years was secured with an option to extend for an additional five years. The new asset, named Westlite Juniper, consists of 1,900 PBWA beds and began accreting revenue from September 2019.

The Group rounded off the year with the acquisition of dwell Archer House in Nottingham, UK in December 2019. The 177-bed student accommodation is strategically located in the city centre, within close access to Nottingham's top universities, Nottingham Trent University and the University of Nottingham. It is also close to dwell Castle Gate Haus, Centurion's first PBSA asset in Nottingham acquired in November 2018, enabling synergies for the Group's UK operations.

As at 31 December 2019, the Group operated a diversified portfolio of 33 operational PBWA and PBSA assets comprising approximately 65,133 beds across Singapore, Malaysia, Australia, South Korea, the UK and the United States, an increase of 18% in operating capacity from the year before.

During the year, the Group also commenced development of an additional three blocks comprising 3,600 beds, on a vacant parcel of land adjourning Westlite Tampoi in Johor Singapore. The development is expected to complete in 3Q 2020.

SINGAPORE

The Group operates five workers accommodation assets with a total of 28,000 beds in Singapore. Managed under its Westlite management platform, this portfolio of quality assets comprising Westlite Toh Guan, Westlite Mandai, Westlite Woodlands, ASPRI-Westlite Papan and the recently-added Westlite Juniper, commands a leadership position in the Singapore PBWA market.

All assets are well-located in strategic industrial areas, and fully comply with local government regulatory requirements under the Foreign Employee Dormitory Act.

The portfolio enjoyed a high average occupancy rate of 97.9% for FY2019, with a stable and diversified customer base across multiple industries.

Wholly owned Westlite Toh Guan, conveniently located in Jurong, caters to workers from all industries. Westlite Mandai is one of Singapore's largest freehold PBWA, and caters mainly to the construction, manufacturing and service industries. Strategically located near the Woodlands industrial hub, Westlite Woodlands accommodates workers in the northern part of Singapore, from the marine, process and manufacturing industries.

ASPRI-Westlite Papan is located close to Jurong Island, where more than 100 energy, chemical and process companies operate. On top of its location advantage, this PBWA uniquely integrates a training centre managed by the Association of Process Industries. The combination of workplace proximity and access to training for work-productivity enhancement makes ASPRI-Westlite Papan doubly attractive to employers and workers from the process industries.

Westlite Juniper is situated near the Sungai Kadut, Mandai and Woodlands industrial districts and caters mainly to construction and service industry workers.

In February 2020, the Group received Written Permission from the Urban Redevelopment Authority (URA) for the redevelopment of one block at Westlite Toh Guan, to integrate an industry training centre. The redevelopment is expected to commence in 3Q 2020, and complete by 1Q 2022. With the asset enhancement, the authorities have granted a 25-year extension of the use of land for worker accommodation, resulting in a marked gain in fair valuation of this asset (see Financial Review section for details).

In Singapore, the Group also operates dwell Selegie, a PBSA asset located in the city's cultural precinct, a short walk to many education institutions including Singapore Management University, Nanyang Academy of Fine Arts, and Kaplan Singapore. The

OPERATIONS REVIEW

property attracts international students from over 20 countries to stay as residents and maintained a healthy 89.0% average occupancy rate in FY2019.

MALAYSIA

As at 31 December 2019, the Group wholly-owns and operates seven workers accommodation assets with a total of 30,700 beds in Malaysia, namely Westlite Johor Tech Park, Westlite Pasir Gudang, Westlite Senai, Westlite Senai II, Westlite Tampoi, Westlite Tebrau in Johor, and Westlite Bukit Minyak in Penang.

The six assets in Johor are strategically located in proximity of industrial estates, and primarily supports the manufacturing industries within these estates. Built to high specifications, each property meets local JTK government regulations and is compliant with international ethical manufacturing standards set by organisations such as the Responsible Business Alliance.

The seventh and newest PBWA asset, Westlite Bukit Minyak, began operations in May 2019 after completion of fitting-out, and marks the Group's entry into the new market in Penang. The property is also Penang's first PBWA or Centralised Accommodation Transit (CAT), and was developed in close consultation with the state government, supporting their vision of transforming Penang into a smart city that is also 'the most liveable city in Asia'.

Over the past seven years, the Group has leveraged its first mover advantage in Malaysia to grow steadily. Today, the Group operates a total of 30,700 beds in Malaysia and has seen average occupancy rates for its Johor portfolio grow to 91.9% for FY2019, excluding Westlite Bukit Minyak which is ramping up operations and expects to achieve optimal occupancy by 2H 2020.

With the development project in progress at Westlite Tampoi, scheduled to complete in 3Q 2020 and add 3,600 beds, the Group will grow its Malaysian PBWA portfolio to approximately 34,300 beds in 2020.

AUSTRALIA

In Australia, the Group owns and operates two PBSA with 896 beds, including RMIT Village in Melbourne and dwell East End Adelaide.

As the world's third largest education hub, attracting growing numbers of students from around the world, the country is a key growth market for the Group.

Following its first acquisition of RMIT Village in 2014, the Group commenced development of its second asset, in Adelaide, in 2017. dwell East End Adelaide completed fitting out and commenced operations in February 2019. Sited in a prime location in close proximity to both the city and university campuses, and well-designed purpose-built facilities and amenities, the asset has achieved a healthy average occupancy of 96.1% for 4Q 2019.

During the year, the Group also completed its Asset Enhancement Programme at RMIT Village by May 2019, adding a new wing and 160 beds to the property. With its attractive location close to the Melbourne City precinct and to both RMIT University and the University of Melbourne, RMIT Village has ramped up to a healthy average occupancy of 87.5% in FY 2019, including the new bed capacity.

SOUTH KOREA

The Group's acquisition in September 2018 of a 3-star hotel located in Seoul's bustling Dongdaemun district marked its entry to South Korea, to capitalise on the country's growing domestic and international student populations and a rising demand for Purpose Built Student Accommodation.

Following refurbishment, dwell Dongdaemun began operations in February 2019, and had achieved an average occupancy of 64.9% for 4Q 2019.

The Group owns a 55% interest in this asset through its wholly owned subsidiary, Centurion Overseas Investments Pte Ltd.

UNITED STATES

The Group's inaugural student housing private fund, the Centurion US Student Housing Fund, holds six freehold PBSA assets totalling 2,145 beds in five states – dwell Logan Square in Alabama, dwell Stadium View in Texas, dwell Tenn Street in Florida, dwell Statesider and dwell Towers

1

2

1. *Residents at dwell Tenn Street*

2. *Christmas event at dwell East End Adelaide*

OPERATIONS REVIEW

on State in Wisconsin, and College & Crown which is situated near Yale University in New Haven, Connecticut.

Centurion through its wholly owned subsidiaries, holds approximately 28.7% of the total number of units in issue in the fund, and is the manager of the fund and its assets.

The Group also manages the properties' operations, under its dwell Student Living brand, through a local provider which is an established student accommodation manager in the US.

Challenged by falling international student numbers against a backdrop of rising tuition costs and political tensions, the US portfolio performed below expectation in FY2019, albeit achieving healthy occupancies. The performance of the portfolio is expected to improve in 2020, with increased and active management.

UNITED KINGDOM

As at 31 December 2019, the Group owns and operates 2,852 beds in 11 PBSA assets in five cities, including its latest acquisition in Dec 2019 of 177-bed dwell Archer House in Nottingham.

Amongst the Group's portfolio of UK student accommodation assets, dwell Manchester Student Village, dwell Manchester Student Village South, dwell Princess Street and dwell The Grafton in Manchester, as well as dwell Castle Gate Haus and dwell Archer House in Nottingham are freehold properties, while dwell Cathedral Campus in Liverpool; dwell Beechwood House and dwell Weston Court in Manchester; dwell Garth Heads in Newcastle; and dwell Hotwells House in Bristol are long leasehold properties.

All are fully owned and managed by Centurion under its dwell Student Living brand, while dwell Castle Gate Haus is held by the Group's second private fund, in which the Group holds a stake of 14.29%.

The Group's student accommodation assets have been selectively acquired within the established education precincts of Manchester, Liverpool, Nottingham, Newcastle and Bristol, and located within walking distance or close proximity to these cities' main university campuses and city centres.

All the student accommodation assets in the UK have been certified under the Accreditation Network UK National Code of Standards, except dwell Princess Street and dwell Archer House, which caters to a mix of student and PMET residents. The accreditation affirms that the assets are operated to high standards, with transparency and professionalism in management, assuring students, their parents and University partners that dwell Student Living provides quality accommodation and care for the wellbeing of its residents.

The UK portfolio continues to demonstrate the resilience and attractiveness of well-located and professionally managed PBSA assets, achieving a consistent high average occupancy rate of 93.2% in the face of Brexit uncertainties and a shifting global political climate in FY 2019.

BUILDING MANAGEMENT EXPERTISE

2019 saw the Group bag several prestigious awards for its successes in corporate management, successful globalisation and business performance, security and business continuity management, as well as HR excellence.

In March, the Group was presented with The Enterprise Award at the Singapore Business Awards (SBA) 2019. The Enterprise Award recognises a company's contribution to the community, its management, financial performance and productivity as well as success in the innovation of products, services or new markets, particularly the company's penetration of overseas markets drawing on enterprise and expertise of its Singapore base.

In July, the Group won the Best Annual Report Bronze Award in the mid-cap category (for listed companies with a market capitalisation of between $300 million and $1 billion) at the Singapore Corporate Awards 2019.

In the same month, our Group Director for Global Security was awarded the Gold Award for Early Adopters of Security Industry Transformation (Individual) at the Inaugural Security Industry Transformation Awards 2019. This award reflects the Group's commitment to active security management for sustainable business continuity and crisis management.

In October, the Group was awarded the HR Excellence Awards 2019 – Excellence in Total Rewards Strategy Award, in recognition of the Group's holistic HR practices to attract, motivate and retain talent.

In December, the Group received the Outstanding Enterprise Award – Main Board category in the Hong Kong Outstanding Enterprises Parade 2019 organized by the weekly Economic Digest. The award recognises the Group's significant presence and performance in diversification, operating efficiencies and investment returns in the specialised accommodation asset class.

We are honoured by these accolades, which bear testimony to the Group's strength across multiple management functions, business growth and financial performance matrices.

BUILDING A GREENER BUSINESS

In 2019, the Group stepped up its sustainability efforts with the signing of a 20-year solar power agreement with Sunseap Group Pte Ltd, for the generation and provision of solar energy to its ASPRI-Westlite Papan PBWA in Singapore.

Under the agreement, a solar photovoltaic system has been installed at the PBWA which can generate about 220,000 kilowatt hours of energy annually and offset 30 per cent of ASPRI-Westlite Papan's peak energy usage.

This enables the property to reduce its carbon footprint by up to 92 tons annually, the equivalent of planting over 2,300 trees. In addition, the solar photovoltaic system will also lower the cost of operations by about $200,000 over the next 20 years.

This initiative signals the Group's long-term commitment to adopting renewable energy solutions and sustainable business practices.

Further details can be found in the Sustainability Report section.

MARKET OUTLOOK

The outlook for the Group's global specialised accommodation portfolio remains positive, given the anti-cyclical resilience of both its asset classes, bolstered by strong demand fundamentals across its markets.

ACCOMMODATION BUSINESS

Armed with a strategically diversified portfolio of specialised accommodation assets in two stable and resilient property classes, Centurion has continued to grow and outperform analyst forecasts in FY 2019, despite uncertainties surrounding Brexit in the UK and trade tensions between the US and the wider global community.

The Group's portfolio of 33 operational purpose-built workers and student accommodation assets ("PBWA" and "PBSA" respectively) comprises 65,133 beds as at 31 December 2019, located across Australia, South Korea, Malaysia, Singapore, the UK and the US.

Strong demand fundamentals underline the stability of its core recurring income business across the 6 countries and 16 cities in which Centurion operates. The Group is further able to execute asset enhancement opportunities within its existing portfolio, and leverage established operational capabilities to optimise value in its property assets and markets.

WORKERS ACCOMMODATION SINGAPORE

Centurion expects the PBWA sector in Singapore to remain stable, largely due to favourable market demand but limited supply of PBWA beds.

The Ministry of Trade and Industry announced that the Singapore economy is expected to pick up modestly in 2020. The construction sector will continue to see continued growth over the next year, with major infrastructure projects in progress and in the pipeline[1].

The population of Non-Domestic Foreign Workers with W-Pass work permits has been stable and the PBWA bed supply is expected to reduce.

While Budget 2020 announced planned cuts in S-Pass foreign worker quotas for the construction, marine and process sectors, the Group anticipates no impact to its occupancy as S-Pass holders currently make up less than 2% of its residents.

Centurion is optimistic about the PBWA sector in Singapore, and will continue to seek opportunities to enlarge and enhance our portfolio in this market.

MALAYSIA

In July 2019, the Malaysian Parliament passed the Workers' Minimum Standard of Housing and Amenities (Amendment) Bill 2019, which aims to protect the rights of workers and ensure they are aligned with international standards. The Bill makes it mandatory for employers across all sectors to provide better housing conditions for their foreign workers.

According to official statistics, there were two million registered foreign workers in Malaysia as at August 2019; of which 706,500[2] are manufacturing sector workers.

Given the Group's early mover and market leadership position in the Malaysian PBWA sector and the undersupply of quality workers accommodation across the country, the legislative change bodes well for the Group.

Despite a slowdown in export demand due to the ongoing US-China trade war and weaker domestic sentiments, market watchers are expecting stable business conditions with

[1] Source: MTI Forecasts GDP to Grow by "0.5 to 1.0 Per Cent" in 2019 and "0.5 to 2.5 Per Cent" in 2020, Ministry of Trade and Industry Singapore, 21 November 2019

[2] Source: Malaysia has 1.99 million foreign workers registered as at Aug 31, The Edge Markets, 8 October 2019

[3] Source: Malaysia's Nov factory output rises 2%, above forecast, The Business Times, 10 January 2020

ACCOMMODATION PIPELINE (AS OF 31 DECEMBER 2019)

Country	Capacity (no. of beds) FY2019	Capacity (no. of beds) Expected (2020)
Workers Accommodation		
Singapore	28,000	28,000
Malaysia	30,700	34,300
Student Accommodation		
Singapore	332	332
Australia	896	896
UK	2,852	2,852
US	2,145	2,145
South Korea	208	208
TOTAL	**65,133**	**68,733**

MARKET OUTLOOK

healthy growth in the manufacturing sector in 2020. In November 2019, data showed Malaysia's manufacturing output grew 2.5 per cent from a year earlier[3].

Centurion's existing portfolio assets in Malaysia are well-located in key manufacturing hubs where there is strong demand for quality workers housing in Malaysia's manufacturing sector. The Group expects to benefit from the favourable regulatory developments, driving further growth in the Group's PBWA business in Malaysia.

STUDENT ACCOMMODATION

UNITED KINGDOM

The UK maintains its standing as one of the top tertiary education markets in the world. The Higher Education Statistics Agency reported a 2% rise to 2.4 million higher education students in the UK in 2018-2019 compared with 2017-2018[4], and an expected further increase of 500,000 full-time university students by 2030.

A record-breaking 39 per cent of all 18-year olds in the UK submitted an application to start studying at UK universities in September 2019, according to data from UCAS, while applicants from outside of the UK also increased to their highest levels on record.

The number of new students in the UK from European Union (EU) countries rose 2% in 2019, despite uncertainties around Brexit, while international student numbers from outside the EU rose by 10%. Possible reductions in new EU student applications following the completion of Brexit on 31 January 2020 are expected to be fully offset by a larger increase in the international student population.

The UK is a key growth market for the Group, and it has strategically expanded its UK portfolio with a second acquisition, dwell Archer House, in Nottingham in December 2019. The property is operational, with healthy occupancy expected for the 2019/20 academic year, and will add to UK portfolio revenues in 2020.

AUSTRALIA

Australian PBSA demand continues to grow in strength, as the number of international higher education students to the continent increased to 434,756 by October 2019, by 11% from 2018.

Deloitte Access Economics, in their Australian International Education 2025 roadmap, estimates the number of international students to increase from about 500,000 today to 720,000 by 2025[5], a compounded annual growth of 3.8 per cent. The new regional visa introduced in November 2019 to attract overseas students to the region makes it more attractive for foreign students to study in Australia, allowing an additional year's post-study work visa.

Furthermore, between 2012 and 2017, the number of Australian students studying outside their home state increased by 47,280[6], leading to additional demand for PBSA from domestic higher education students.

Melbourne and Adelaide have been identified as cities with significant undersupply of PBSA in the Knight Frank Global Student Property Report 2019[7]. As such, the Group's assets in Melbourne and Adelaide are expected to perform positively on the back of strong and growing demand.

UNITED STATES

Centurion manages six PBSA assets in five cities in the US, through a private real estate fund established and managed by the Group, in which the Group holds a 28.7% stake.

In the US, new international student enrolment fell by 10.4% in the 2018-2019 academic years from 2015-2016, according to the Institute of International Education[8]. The decline is seen against a backdrop of rising college tuition costs, competition from colleges in other countries as well as the current political climate in the US which may further affect international student interest.

4 Source: Financial Times – Number of international students at UK universities jumps, 17 January 2020

5 Source: Austrade – Australian International Education 2025 Roadmap

6 Source: JLL Student Accommodation Investment Review and Outlook 2019

7 Source: Global Student Property Report 2019, Knight Frank, May 2019

8 Source: Institute of International Education – International Student Enrollment Trends, November 2019

1. Staff at Westlite Tebrau

2. Rooftop view from dwell East End Adelaide

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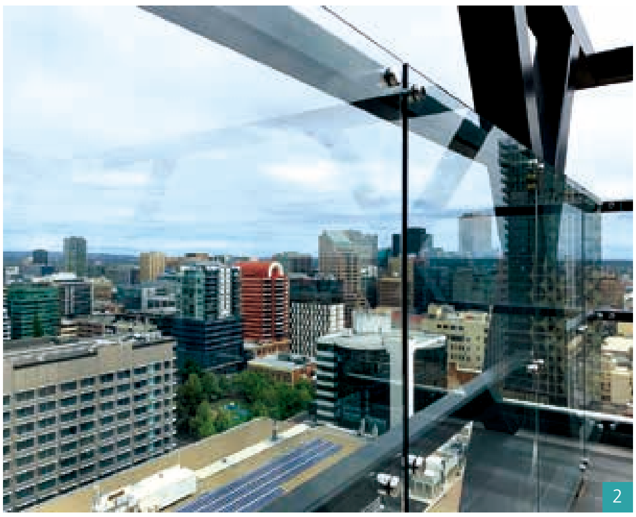

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MARKET OUTLOOK

Despite market conditions and operational challenges, the portfolio achieved a healthy average occupancy for 2019. The Group remains confident that the demand for quality PBSA in the US will continue, and expects the performance of the portfolio to improve with increased and active management.

SOUTH KOREA

The successful acquisition of a student accommodation asset in South Korea, dwell Dongdaemun, marked Centurion's foray into one of the largest emerging markets in North Asia. With over 18 universities featured in QS World University Ranking 2020, Seoul is fast emerging as an education hub for international students. dwell Dongdaemun offers quality purpose built accommodation to students who look for a secure and conducive environment to stay and experience the community living and amenities it offers.

SINGAPORE

The prime location of dwell Selegie and its accessibility to multiple higher education institutions in the vicinity drives high occupancy rates. Demand for PBSA in the area is expected to remain strong, with international students hailing from over 20 countries globally.

LIMITED IMPACT FROM COVID-19

Centurion expects the COVID-19 outbreak to have limited impact on its accommodation business across its geographically diversified portfolio, unless the outbreak continues to spread globally over a protracted period.

Centurion has Business Continuity Plans (BCP) in place and regularly exercise them, including a Pandemic Management Plan (PMP). The Group has activated its PMP and contingency actions since early January 2020, to minimise operational disruption and ensure business continuity. It is working alongside local authorities to monitor, respond to and manage situations as they arise.

The Group has experienced little impact on its PBWA occupancy in Malaysia and Singapore. Regular demand for PBWA beds remains robust during this period. However, in line with our PMP and requirements of the Singapore Ministry of Manpower to provide containment facilities, a temporary reduction of approximately 2% in bed capacity is expected for its Singapore assets for the period of the COVID-19 situation.

For the Group's PBSA business, the effects if any will be from reduction in demand from international students affected by entry bans imposed by destination countries or if universities in certain countries delay or cancel study programmes.

In South Korea, certain universities have cancelled short-term language or exchange programmes. We anticipate a reduction in international student arrivals to Seoul for such programmes, with a resultant reduction in our shorter-term lease bookings.

In Australia, the government had on 1 February 2020 imposed an entry ban on foreign nationals who have travelled in Mainland China in the past 14 days before arrival. As a result, we expect a reduction in occupancy for the period 1H 2020, due to some residents, mainly People's Republic of China (PRC) citizens, being unable to move in and including a reduction in demand from the PRC student market for the university semester commencing March 2020.

PRC residents accounted for approximately 28% of our Australian PBSA's FY2019 occupancy. However, the impact is mitigated as some PRC residents book and move in, having arrived from locations outside Mainland China, or if the government lifts its travel restrictions. The Group has taken measures to cushion the extent of impact, with added efforts to attract bookings from alternative student source countries, as well as tapping the growing domestic demand. The Group can also offer short term lets to mitigate any shortfall of bookings for the full semester period.

The Group continues to closely monitor and manage the disruptions due to COVID-19, and will make further announcements in the event of material changes.

In summary, the outlook for the Group's globally diversified specialised accommodation portfolio remains positive, given the resilience of its asset classes, bolstered by strong demand fundamentals across its markets.

1. dwell Dongdaemun, Seoul, South Korea

2. Staff from dwell UK

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INVESTOR RELATIONS

PROACTIVE & TRANSPARENT COMMUNICATION

As a listed company, we believe that our commitment to a high standard of corporate governance practices, together with a demonstrated track record of strong performance, are instrumental to creating long-term value for shareholders. This includes practising active and timely voluntary disclosure about the Group's operations and developments. Centurion goes above and beyond to ensure that all necessary information is provided in a clear, concise and accurate manner, for investors to make a well-informed decision.

This year, in recognition of Centurion's commitment to uphold high standards in accountability and disclosure, the Group was awarded the bronze in the Best Annual Report Award in the mid-cap category for listed companies with a market capitalisation of between $300 million and $1 billion at the Singapore Corporate Awards 2019. The Award was introduced to encourage excellent corporate reporting and a wider scope of disclosures beyond the minimum regulatory requirements that are in tandem with the needs of investors and other stakeholders such as employees, creditors and the general public.

This follows the two gold awards clinched at the Singapore Corporate Awards 2018 for the Best Managed Board and Best Investor Relations in the mid-cap category and for Best Managed Board Award. The former seeks to highlight transparency, accountability, performance orientation, good processes and practices among well-managed boards while the latter aims to recognise companies that embody the spirit of good corporate governance through the adoption and implementation of best practices in investor relations.

These awards continue to boost Centurion's track record at the annual Singapore Corporate Awards. It follows the Group's 2017 silver award win for Best Investor Relations in the small-cap category for companies with less than $300 million in market capitalisation.

Centurion continues to support the Securities Investors Association Singapore's ("SIAS") efforts to promote its "Good Corporate Governance Policies" initiative. Through this initiative, SIAS aims to highlight good corporate governance practices which are critical in safeguarding the financial market and the broader market.

MULTIPLE COMMUNICATIONS CHANNELS

Website, Corporate Announcements and Alert Services

Centurion fully understands the need to share timely and accurate information about the Group with our shareholders and the wider investment community, to enable a transparent assessment of the company's value.

We have effective systems of stakeholder communications in place, such as open dialogue channels to ensure transparency and accountability. All Centurion's corporate announcements, financial statements, press releases, publications and presentation slides are accessible from the Singapore Exchange website ("SGX") (SGX stock code: OU8), Stock Exchange of Hong Kong Limited ("SEHK") (SEHK stock code: 6090) and our corporate website (www.centurioncorp.com.sg).

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.

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 and Singapore Exchange filings.

ANNUAL OR EXTRAORDINARY GENERAL MEETING

Centurion holds its Annual General Meeting ("AGM") every April in Singapore. Extraordinary General Meetings ("EGM") will be held to address extraordinary matters, when relevant.

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 shareholders the strategic direction of the Group and for the Board of Directors and management to address shareholders' questions or concerns.

OUTREACH ACTIVITIES

The Company understands the importance of engaging in investor relations on a more personal level. Under our investor relations programme, we reach out to our stakeholders through multiple platforms including half-yearly face-to-face results briefings, post-results conference calls, one-on-one and small group investor meetings, non-deal road shows, investor seminars and investor luncheons – to reinforce long-term relationships. We utilise multiple platforms to engage investors and provide them with an in-depth understanding of the Group's business, prospects and challenges.

Centurion's key management is committed to engaging institutional investors and analysts on a regular basis to keep them up-to-date on the Group's developments. The Group also utilises multiple platforms to do so.

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1. *SGX-SAC Capital Small Mid Cap Corporate Access Seminar 2019*
2. *Singapore Corporate Awards 2019, Best Annual Report Bronze Awards*
3. *Stock Commentators and Analysts Familiarisation Trip 2019*

INVESTOR RELATIONS

2019/2020 INVESTOR RELATIONS CALENDAR

The management was able to effectively reach out to both its existing and prospective investors to raise awareness and interest in Centurion.

February 2019
4Q/FY2018 Results Announcement | Analysts & Media Briefing

March 2019
SGX-SAC Small/Mid Cap Corporate Access Symposium

April 2019
SGX Corporate Connect Seminar with SIAS and KGI Securities
FY2018 Annual General Meeting
- Held in Singapore, with a live stream of the proceedings broadcast to investors in Hong Kong

May 2019
1Q 2019 Results Announcement
Phillip Securities Trading Representatives Presentation
KGI Trading Representatives Presentation & Site Visit to Centurion properties

August 2019
2Q/1H2019 Results Announcement | Analysts & Media Briefing
Maybank Kim Eng Corporate Day in KL

September 2019
CGS-CIMB Trading Representatives Presentation
SG and HK Analysts Briefing and site tour in Singapore and Johor

October 2019
SGX – Credit Suisse Real Estate Corporate Day

November 2019
3Q 2019 Results Announcement

January 2020
"Scaling New Heights" Asia Investment Forum 2020 – Shenzhen, PRC
Evolve Capital Asia-Asia Fund Space "2020 Winners" Investment Forum – SG

February 2020
4Q/FY2019 Results Announcement | Analysts & Media Briefing

April 2020
FY2019 Annual General Meeting
- Held in Singapore, with a live stream of the proceedings for investors in Hong Kong

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 strategic trajectory, so they can reflect accurate information in their coverage reports.

The equity research houses listed in the table on the right provide research coverage on Centurion as at 31 December 2019.

RESEARCH COVERAGE

Research House	Rated	Non-rated
CGS-CIMB Research	✓	
DBS Group Research	✓	
RHB Research	✓	
KGI Securities		✓
Phillip Securities Research		✓

COMPANY SHARE INFORMATION

	SGX	SEHK
Stock Code	OU8	6090
Bloomberg Ticker	CENT SP	6090:HK
Closing Price (As at 31 December 2019)	S$0.445	HKD$2.59
Shares Outstanding (As at 31 December 2019)	705,882,785	134,895,839
Market Capitalisation (As at 31 December 2019)	S$314.1 million	HKD$349.4 million
Closing Price Range (FY2019)	S$0.40 – S$0.450	HKD$2.25 – HKD$2.85

FEEDBACK CHANNELS

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

For enquiries or feedback on Centurion, please contact:

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Investor Relations
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BUSINESS
WITH A **HEART**

As one of Asia's leading worker and student accommodation owner-operators, the Group shares a responsibility in addressing the needs of different stakeholders and the wider community. We believe that business success is more than just the bottom line.

We are a conscious business and recognise that our responsibility towards our investors and stakeholders goes beyond the fiduciary. We integrate social responsibility into the very heart of our company's strategy to ensure that we effectively address the environmental, social and societal impact of our business, which is critical to sustainable growth.

Beyond our duties as a listed entity, we regularly engage with residents of our properties and the community, by adopting and supporting meaningful causes that align with Centurion's core values of "management with a heart". It is our philosophy that the success of Centurion's business is closely intertwined with the health and prosperity of the communities we operate in.

SUSTAINABILITY REPORT

CONTENTS

1. *Soccer teams from dwell UK at the "Residents vs. Staff Kick Off" event.*

2. *Residents from Westlite Malaysia in a carom match.*

3. *Westlite Malaysia's Street Soccer teams during Competition during Semi-Finals.*

SUSTAINABILITY REPORT

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 purpose-built student accommodation assets in Singapore, Australia, the United Kingdom ("UK"), the United States ("US") and South Korea.

The Group currently owns and manages a strong portfolio of 33 accommodation assets totalling 65,133 beds. Following the completion of projects currently under development and undergoing asset enhancement works, the Group's portfolio of accommodation assets is expected to grow to 68,733 beds by FY2020.

Centurion's established portfolio of workers accommodation assets is managed under the "Westlite" brand. The Group owns a portfolio of 28,000 beds across five workers accommodation assets in Singapore and 30,700 beds across seven workers accommodation assets in Malaysia.

The Group successfully expanded into the student accommodation business in 2014. Centurion currently owns a portfolio of 11 assets in the UK with a total capacity of 2,852 beds, a 332-bed asset in Singapore, two assets in Australia with 896 bed spaces and one 208-bed asset in South Korea. With the exception of RMIT Village in Melbourne, Australia, the Group's student accommodation assets are managed under the "dwell" brand.

In November 2017, Centurion broke new ground with the establishment of its inaugural private fund, the Centurion US Student Housing Fund, which now holds a portfolio of 2,145 beds in the US. A year later in December 2018, the Group announced the successful first close of its second fund, to invest in purpose-built student accommodation globally (ex-US). In line with the Group's asset light strategy, such investments will allow Centurion to efficiently leverage resources to scale up in a sustainable manner.

With global reach and a clear growth strategy to actively enhance and manage its assets, identify strategic acquisitions supported by joint ventures and investment funds, Centurion has evolved to become Singapore's leading owner, manager and operator of niche, alternative accommodation assets.

ABOUT THIS SUSTAINABILITY REPORT

This is the Group's third annual sustainability report that aims to provide our stakeholders with an update on the Group's Environmental, Social and Governance ("**ESG**") performance. It covers the properties in our key markets namely Singapore, Malaysia, Australia, United Kingdom and United States. Employment data for the United States has been excluded from this report as headcount for properties in the US is managed by our 3rd party manager. The contents of this report is based on activities carried out from 1 January 2019 to 31 December 2019 ("**FY2019**"), unless otherwise stated.

This report has been prepared with reference to the "Global Reporting Initiative Standards: Core option" ("**GRI Standards**"). This includes adhering to the GRI principles for defining report content including sustainability context, materiality, stakeholder inclusiveness and completeness. It also complies with 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 external assurance for this report.

For further enquiries or questions relating to the report, please write to our Investor Relations contacts, as follows:

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GEORGE GOH
Investor Relations Manager
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Email: george.goh@centurioncorp.com.sg

SUSTAINABILITY REPORT

BOARD STATEMENT

At Centurion, creating sustainable value for our stakeholders is at the core of our business. The Board of Directors ("**the Board**") believe that businesses can and should aim to deliver value in both their financial performance as well as their community and environmental impact.

The DNA of the company is 'Business with a Heart'. This in turn, translates into business practices and activities in our day-to-day operations to ensure we act responsibly in the best interests of our stakeholders, which include staff, customers, as well as the local communities and environments where we operate. Adopting this philosophy will also ensure that the Group gains competitive advantage in the long term.

With consultation from the Management, the Board considers sustainability issues as part of its strategic formulation and is responsible for overseeing the integration of sustainable practices within the business. The Board also determines the ESG topics which are material and relevant for the business. Based on a review in FY2019, the Board confirmed that there are no changes to the list of material ESG topics previously identified.

In 2019, the Group continued its sustainability drive by embarking on a series of initiatives. Key highlights include:

- The expansion of active residential living calendars in all our 33 operating properties. These include activities that enhanced the physical and mental wellbeing of our residents and helped them to integrate better within the local communities. Our staff, worker and student residents also participated in corporate social responsibility efforts which benefitted local communities.

- Through education and efforts to reduce wastage, the water consumption of Westlite purpose-built workers accommodation (PBWA) in Singapore is amongst the lowest of all licensed worker accommodation in the country, according to figures from the Public Utilities Board and National Environmental Agency.

- The signing of our first solar energy supply agreement with renewable energy provider Sunseap Group, for solar power to be harvested and consumed at our ASPRI-Westlite Papan dormitory in Singapore.

- Setting up small urban gardens within Singapore Westlite PBWAs, where residents can plant and harvest vegetables.

Going forward, as an owner and operator of specialised accommodation, we are exploring the potential to adopt smart building technology in the development and management of our property assets. We anticipate that this can reduce our energy and waste consumption, yielding benefits for the environment while improving our operating efficiency.

Centurion will continue to focus on improving 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 engaging the communities where we operate in.

In addition, we will continue to collaborate closely with government agencies and non-governmental organisations to better understand and address our stakeholders' expectations.

We look forward to having your support as we pursue sustainable business practices.

Yours faithfully,
For and on behalf of the Board,

HAN SENG JUAN
LOH KIM KANG, DAVID
Joint Chairmen

Together with Puan Marina Binti Ibrahim, Ahli Majlis, Westlite's staff and residents cleaned up more than one tonne of rubbish.

SUSTAINABILITY REPORT

ESG PERFORMANCE OVERVIEW

	2019	2018	2017
ENVIRONMENTAL			
Electricity Purchased (MWh)	**28,389**	26,632	32,619
Electricity Intensity (kWh/person)	**647**	607*	700*
Energy Used (GJ)	**102,000**	95,876	117,428
Scope 2 GHG Emissions (tCO_2e)	**12,694**	13,240	13,844
GHG emissions intensity ($kgCO_2$2/person)	**289**	301*	297*
Water consumption (m^3)	**2,909,650**	2,818,414	2,835,541
Water Intensity (m^3/person)	**66**	64*	60*
SOCIAL			
Employees			
Full-time employees	**334**	351	307
Female employees (%)	**43%**	43%	39%
Average training hours per employee	**24**	18	20
Training expenditure per employee (S$)	**382**	413	369
New hires	**98**	125	50
Community			
Community investment (S$)	**490,663**	326,380	223,930
ECONOMIC PERFORMANCE			
Total revenue	**S$133.4 million**	S$120.1 million	S$137.1 million
Gross profit	**S$96.9 million**	S$86.3 million	S$94.2 million
Employees wages and benefits	**S$21.2 million**	S$19.1 million	S$17.4 million
Payments to governments including royalties and taxes	**S$12.2 million**	S$17.5 million	S$18.3 million
Payments to providers of capital	**S$45.6 million**	S$40.8 million	S$41.1 million

* Figures for FY2017 and FY2018 have been adjusted using the calculation methodology for FY2019, which is based on physical resident occupancy instead of financial occupancy.

SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE STRUCTURE

ESG topics are considered by Centurion's Board as part of the company's strategy formulation. The Board has oversight of the management and implementation of sustainability strategies relating to the material ESG factors and stakeholder engagement. It also monitors and tracks the Group's sustainability performance and progress through periodic review.

The Board is supported by a sustainability taskforce, chaired by the CEO and comprising the Investor Relations team and the heads of different business units.

Board of Directors

- Identify, assess and prioritise material ESG topics
- Oversee management and implementation of sustainability strategies relating to material ESG factors and stakeholder engagement
- Monitor and track Group's sustainability performance and progress periodically

Sustainability taskforce

- Chaired by CEO and comprising the Investor Relations team and heads of different business units

OUR MATERIAL SUSTAINABILITY TOPICS

We adopt a proactive approach in identifying, mitigating, and managing our key business risks, taking into consideration our stakeholders' views to determine the economic, environmental and social topics which have the largest impact on our business. In addition, we leveraged on our enterprise risk management framework to consider a wide range of potential risks.

In 2019, we reviewed the material topics that we first identified in our 2017 Sustainability Report. After considering of the changing business landscape, emerging global and domestic trends, regulatory development, as well as stakeholders' opinions, we believe that the topics remain relevant and therefore we have not made any significant changes in the topics covered in this year's report. These topics have been signed off by the Board. Centurion also aligned our material topics with the United Nations Sustainable Development Goals (SDGs), which were launched in 2015 as a call to action to address global priorities by 2030.

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1. Mr Guy Ryder, Director-General of International Labour Organisation visiting ASPRI-Westlite Papan.

2. Hosting JTC Group Director Mr Khoo Teng Seong for site visit at Westlite Accommodation.

SUSTAINABILITY REPORT

An overview of our material topics is provided in the table below.

MATERIAL ESG FACTORS, BOUNDARIES, DISCLOSURES AND TARGETS

MATERIAL ESG FACTORS			
MATERIAL TOPICS	OUR INVOLVEMENT	TARGETS FOR 2020	CHAPTER COVERED
Economic			
ECONOMIC PERFORMANCE	Direct	To maintain consistent rate of return. Growing recurring (sustainable) profits and cash flow.	Economic Contributions
INDIRECT ECONOMIC IMPACTS	Direct and Indirect	To continue to contribute positively to local economies. To continue our existing Corporate Social Responsibility initiatives for residents and local communities.	Caring for our Residents and the Community
ANTI-CORRUPTION	Direct	To maintain zero confirmed incidents of corruption.	Ethics and Compliance
Environmental			
ENERGY	Direct	To reduce or maintain the current average electricity consumption per person (employee and resident).	Environmental Performance
WATER	Direct	To reduce or maintain the current average water consumption per person (employee and resident).	Environmental Performance
GREENHOUSE (GHG) EMISSIONS	Direct	To establish our baseline emissions, for which we will set targets to reduce GHG emissions intensity per person in 2020.	Environmental Performance
Social			
ATTRACT, DEVELOP AND RETAIN TALENT	Direct	To attract a diverse pool of talent. To maintain employee turnover at par or below benchmark average. To provide opportunities for ongoing training.	Talent Attraction, Development and Retention
OCCUPATIONAL HEALTH AND SAFETY	Direct and Indirect	To achieve zero accidents.	Health and Safety
CUSTOMER HEALTH AND SAFETY	Direct	To achieve zero accidents.	Health and Safety
LOCAL COMMUNITIES	Indirect	To achieve at least one volunteering hour per global headcount in 2020.	Caring for our Residents and the Community
SOCIO-ECONOMIC COMPLIANCE	Direct	To maintain no incident of non-compliance with relevant regulatory standards	Ethics and Compliance

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

To ensure sustainable growth of our business, it is crucial for us to establish trusted relationships with both our internal and external stakeholders.

Our primary stakeholders are groups or individuals who are affected by our business decisions or possess the ability to affect our operations. By ensuring ongoing communication with relevant stakeholders, we can understand their needs, expectations, concerns and respond effectively. Stakeholder feedback also helps us in identifying our material ESG factors and priorities.

Centurion adopts a proactive approach in engaging our stakeholders. We have summarised the information on our significant stakeholders, how we engage with them, the frequency of such engagements, their key concerns and our response in the table below.

OUR STAKEHOLDERS	HOW WE ENGAGE AND FREQUENCY	KEY CONCERNS & EXPECTATIONS	OUR RESPONSE
GOVERNMENT & REGULATORS	• Senior management representation on board of various industry bodies • Quarterly Announcements on SGX and SEHK • Annual Reports • Sustainability Reports • Ongoing dialogue	• Workplace health and safety • Regulatory compliance • Sharing of industry best practice	We keep ourselves abreast of the prevailing rules and legislations through regular trainings, public seminars and consultation with external professionals.
CUSTOMERS (INCLUDING RESIDENTS)	• Annual Customer and Resident Surveys • Annual Reports • Website and Social Media • Resident Life Events • Resident Ambassador Programme	• Safe and clean living environment • Customer service and experience • Affordable quality accommodation	We engage customers and residents via regular social settings or through activities. Additionally, official channels to provide formal feedback are available in all our offices across different locations. Based on the feedback received via Feedback Forms, we have added several new facilities for our worker residents. These include installation of custom-made clothes lines to enable residents to air their laundry in a ventilated area, as well as provision of bicycle racks and registered parking system to allow for the safe and orderly parking of bicycles.
EMPLOYEES	• Set up Centurion "Happy Committee" – an interdepartmental 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 • Ongoing training and education opportunities	• Competitive remuneration and benefits • Career development and training opportunities • Ethics and conduct • Job security • Work-life balance • Corporate direction and growth plans	We provide a conducive, open and transparent environment at our workplace. We gather feedback from employees during both formal appraisals and informal social gathering or communication sessions. We also promote cross-functional training to continuously improve skills and knowledge of our staff through trainings like Brand Workshop and Lunch and Learn sessions. In addition, we frequently conduct employee opinion surveys, which gave us a better understanding of our staff morale, satisfaction and engagement. The survey results are used to: • Recognise skilled leaders who engage our staff in a positive way • Improve our existing policies • Address issues that demotivate staff, compromise customer satisfaction or weaken staff performance.

SUSTAINABILITY REPORT

OUR STAKEHOLDERS	HOW WE ENGAGE AND FREQUENCY	KEY CONCERNS & EXPECTATIONS	OUR RESPONSE
INVESTORS AND SHAREHOLDERS	• 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	• Business and Growth strategies • Acquisitions and Divestments • Risk Management • Corporate governance • Economic performance	We are committed to adhere to the guidelines under the Singapore Code of Corporate Governance 2018, SEHK Corporate Governance Code, and the current Listing Rules or legislations to ensure transparency and timely dissemination of all material information to our investors and shareholders.
SUPPLIERS	• Tenders • Evaluations • Annual reviews	• Consistent business • Clarity of specifications • Timely payments	We have implemented comprehensive policies and processes for the good governance of our procurement system. Furthermore, we regularly engage with our key suppliers to understand and address their concerns in a timely manner.

MEMBERSHIPS AND ASSOCIATIONS

Centurion is a member of several groups and associations, which allows it to keep abreast of industry and sustainability trends. They include:

- Association of Process Industry (ASPRI)
- Association of Singapore Marine Industries (ASMI)
- Singapore National Employer Federation (SNEF)
- Singapore Business Federation (SBF)
- Singapore Manufacturing Federation (SMF)
- Federation of Malaysian Manufacturers (FMM)
- Singapore Institute of Directors (SID)
- Dormitory Association of Singapore Limited (DASL)
- Student Accommodation Association Australia (SAAA)

SUPPLY CHAIN

We engage suppliers to provide a range of services associated with the management and operation of our workers and student accommodations, including cleaning, security, pest control, utility services, provision of furniture and equipment, construction, renovation and other repair and maintenance services. We also engage third-party operators to provide management and administration services for RMIT Village in Australia and for the US portfolio.

Suppliers for our optical disc business are mainly providers of raw materials for our optical disc production such as polycarbonate resins, aluminium targets, UV lacquer and DVD bonder.

Our operations team is responsible for ensuring quality control over the selection and performance of our suppliers.

New suppliers are required to be evaluated and approved by the dormitory manager and a finance officer before they are added to the approved vendor list. Our suppliers are scored based on their track record of similar scale or capacity projects, financial capabilities, pricing, and quality of performance.

We review and assess our suppliers on an annual basis. Our review and assessment parameters include quality of service provided by the suppliers during the past contract term; overall performance of the suppliers' services; random checks of the services provided; and reviewing the background and eligibility of the suppliers, including their latest business licence and other relevant operation permits. Our property management team monitors the performance of our suppliers.

HUMAN RIGHTS

We are committed to protecting and upholding internationally accepted human rights principles and applicable local laws in our business and supply chain. Our policies prohibit child labour, forced labour, slavery, discrimination and violation of freedom of association. There were no incidents of human rights violations in our business operations in the reported period.

ETHICS AND COMPLIANCE

Centurion upholds high standards of integrity, transparency and accountability in our business, and we comply with regulations in the markets that we operate in. We seek to foster a culture of compliance, good corporate governance and ethical behaviour to foster trust and credibility amongst our stakeholders.

CODE OF BUSINESS CONDUCT

The Group has a comprehensive Code of Conduct on issues such as rules of engagement, client confidentiality, work conduct, discipline, grievance, sexual or workplace harassment, and the handling of corporate or individual gifts. The Code of Conduct aims to guide our employees when dealing with any of the aforesaid matters.

WHISTLE BLOWING POLICY

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

ANTI-CORRUPTION

The Group maintains a zero-tolerance policy against bribery or corruption, which covers employees, business associates, customers, third-party service providers or vendors. The Anti-Corruption Policy has been disseminated to all employees, and a copy is also published on the Group's website. There were no incidents of bribery and corruption within the reporting period.

SUSTAINABILITY REPORT

As an additional disclosure, the Group confirms that it has not provided monetary incentives or its equivalent to any politically exposed person or their political parties to secure any contracts or tenders. We have also not made any political contributions in all the countries where we operate.

SOCIOECONOMIC COMPLIANCE

The Group remains committed to ensuring legal compliance in all aspects of our business and upholding high standards of ethical business conduct. We operate our business in a lawful manner and in accordance with applicable socioeconomic regulations in Singapore and overseas. Our management policies ensure compliance with relevant legislation and industry standards including corporate governance, taxation, environmental health and safety and human rights, advertising, labelling and protection of data and privacy.

There were no incidents of non-compliance with laws and regulations in the social and economic area in the reported period.

ECONOMIC CONTRIBUTIONS

Centurion seeks to achieve sustainable economic growth and provide strong returns to our stakeholders. Long-term profitability and shareholder value are ensured by taking into account the interests of stakeholders such as shareholders, employees, suppliers and society as a whole.

We contribute to the economy through our various operations along the supply chain. One key contribution is the creation of jobs. We prefer to hire local talent in the markets where we operate our residential services. We also support local suppliers and contractors in our procurement of goods and services which in turn, support jobs in our local communities.

We actively support local community programmes through donations and financial assistance to several voluntary welfare organisations in Singapore. For more information on our contributions to the communities where we operate, see section on Caring for Our Residents and the Community.

FINANCIAL PERFORMANCE

For FY2019, the Group recorded a net profit after tax (NPAT) of S$103.8 million, an increase of 23% from the previous financial year. The revenue for FY2019 is S$133.4 million, an increase of 11% from FY2018.

The improved performance was mainly due to revenue contribution from newly developed assets and assets acquired and leased in 2018 and 2019, including dwell East End Adelaide in Australia, Westlite Juniper in Singapore, dwell Princess Street and dwell Castle Gate Haus in the United Kingdom. Higher occupancy rates for the Singapore workers accommodation portfolio and additional beds derived from the Asset Enhancement Initiative in RMIT Village Melbourne, Australia, also contributed to the increment.

For more details, on the Group's financial performance and business risk, please refer to the Group's "Financial Review" found on pages 32 to 34. For challenges and opportunities, please refer to our "Letter to Shareholder" by Joint Chairmen and CEO's statement from pages 4 to 7 in our AR FY2019.

TOTAL ECONOMIC VALUE GENERATED FOR FY2019[1] S$139.9 MILLION	TOTAL ECONOMIC VALUE GENERATED FOR FY2018[1] S$127.6 MILLION
OPERATING COSTS FOR FY2019 S$35.5 MILLION	OPERATING COSTS FOR FY2018 S$31.7 MILLION
EMPLOYEE WAGES AND BENEFITS FOR FY2019 S$21.2 MILLION	EMPLOYEE WAGES AND BENEFITS FOR FY2018 S$19.1 MILLION
PAYMENTS TO PROVIDERS OF CAPITAL FOR FY2019 S$45.6 MILLION	PAYMENTS TO PROVIDERS OF CAPITAL FOR FY2018 S$40.8 MILLION
PAYMENTS TO GOVERNMENTS INCLUDING ROYALTIES AND TAXES FOR FY2019 S$12.2 MILLION	PAYMENTS TO GOVERNMENTS INCLUDING ROYALTIES AND TAXES FOR FY2018 S$17.5 MILLION
COMMUNITY INVESTMENT FOR FY2019 S$490,663	COMMUNITY INVESTMENT FOR FY2018 S$326,380
TOTAL ECONOMIC VALUE DISTRIBUTED FOR FY2019[2] S$114.5 MILLION	TOTAL ECONOMIC VALUE DISTRIBUTED FOR FY2018[2] S$109.1 MILLION
TOTAL ECONOMIC VALUE RETAINED FOR FY2019[3] S$25.4 MILLION	TOTAL ECONOMIC VALUE RETAINED FOR FY2018[3] S$18.5 MILLION

1. *Total economic value generated include Revenue, dividend received, share of associated companies and joint venture results (from potential dividend income), gain/(loss) from disposal of assets (from sale proceeds).*
2. *Total economic value distributed include Operating costs (excluding property tax), employee compensation (wages, salaries and benefits), taxes including property tax paid to government, finance expenses including interest on borrowings and dividend to shareholders.*
3. *Total economic value retained should be the difference between total economic value generated less total economic value distributed.*

SUSTAINABILITY REPORT

CARING FOR RESIDENTS AND THE COMMUNITY

As a leading player in the workers and students accommodation business, our core business philosophy is to provide a safe and conducive housing environment and we strive to meet and go beyond the housing needs of workers and students.

In addition to taking care of their accommodation needs, Centurion wants to provide a home away from home for these mobile populations who are living abroad and away from their family and friends.

Through our efforts, we hope to cultivate active community living that is inclusive, diverse and vibrant. Beyond engaging our residents, we also proactively engage the wider community through supporting charitable organisations and NGOs, reflecting our core value of "management with a heart". Our investment in the community is a valuable way to engage staff and ensure thriving local communities in the areas which we operate in.

ENGAGING OUR RESIDENTS

Our residents are our most important stakeholders and we need to ensure that they feel connected within the community of their residence as well as in the wider local community. We organise social activities to make them feel welcome and create opportunities for them to forge friendships with one another. The programmes include excursions to places of interest, befriending activities, health and safety roadshows, inter-dormitory sporting events and competitions, festive carnivals, movie screenings, night markets, variety shows and food, games and health carnivals.

We also work with third-party partners to provide enrichment and training courses to enhance future employment opportunities of the foreign workers living in our dormitories.

ACTIVITIES FOR RESIDENTS IN 2019

No. of programmes/events organised for workers	389
No. of worker residents benefitting from programmes/events (workers)	32,420
No. of programmes/events organised for students	888
No. of student residents benefitting from programmes/events (students)	8,750

HIGHLIGHTS OF PROGRAMMES CONDUCTED FOR OUR WORKERS RESIDENTS

WESTLITE INTER-DORMITORY SPORTS TOURNAMENTS

In Singapore and Malaysia, we organised activities to encourage residents to be physically active. Last year, we organised Westlite Tournaments for Badminton, Cricket, Street Soccer and Sepak Takraw, which are games that are popular in our residents' home countries.

The tournaments also promote community wellbeing and a sense of belonging as residents form teams to compete with teams from other dormitories. The grand winner of tournaments was rewarded with cash prizes and finals are held concurrently with a games carnival in the dormitory.

Resident Cricket teams from Westlite Singapore getting ready for Interdorm Cricket Tournament Finals.

SUSTAINABILITY REPORT

EXCURSIONS TO LOCAL AND OVERSEAS PLACES OF INTEREST

Every year, Centurion will organise overseas excursion during the festive holidays for our residents to neighbouring countries. These overseas excursions are heavily subsidised by Westlite and aim to let our residents have a fun and relaxing vacation during the festive season. This is especially meaningful to our residents as they usually do not have the chance to travel or visit other places of interest during their employment in Singapore, due to high costs and inability to secure long leave.

In 2019, more than 100 residents from across five dormitories in Singapore were invited to participate on an excursion to Cameron Highlands in Malaysia, where they visited various tourist hotspots including a tea plantation, Bee Planet and Batu Cave.

Residents in Singapore were also given the opportunity to visit places of interests locally, such as the Singapore Zoo and Universal Studios Singapore. These excursions were heavily sponsored with meals and transport provided.

In Malaysia, our residents were treated to a trip to Langkawi and an excursion to the Waterpark. The excursion also included a tele-match, which required residents to form teams to compete against each other in Malaysia's traditional games. Residents not only got the opportunity to understand the Malaysian culture better through games and activities, but also fostered stronger friendship and camaraderie with their peers and Westlite staff.

Our worker residents in Malaysia also had the opportunity to visit places of interest in Johor Bahru such as Hutan Bandar, Muzium Istana, Pusat Seni and even learnt how to make traditional handicraft like Batik painting through a workshop.

These meaningful events allowed residents to have an enjoyable time outside of their usual workplace and dormitory and also taught them to have greater appreciation of the local culture and traditions.

PARTNERSHIP WITH PROJECT CHULIA STREET

Westlite Accommodation partnered Project Chulia Street, a Non-Profit Organisation that aims to provide better healthcare, nutrition and education for migrant workers in Singapore. In 2019, Project Chulia Street held various activities across our dormitories in Singapore, such as free dental, eye and health check-ups, food distribution as well as a Games Fiesta carnival.

Last year, Project Chulia Street secured fresh vegetable and fruit sponsors to distribute these groceries to more than 3000 residents in August, as part of its "National Day Tribute to Migrant Workers" event. Residents also enjoyed free McDonalds as well as Ben & Jerry's Ice Cream, which are considered luxury items that they would not usually buy.

HIGHLIGHTS OF PROGRAMMES CONDUCTED FOR OUR STUDENT RESIDENTS

FESTIVE EVENTS AND CELEBRATIONS

At dwell, we have a large number of student residents from China across our markets in Australia, Singapore, the UK and the USA, and they usually do not travel back to their hometowns during major festivals due to tight academic schedules and limited budget. Therefore, Centurion organises celebrations to bring the festive celebrations to them. These celebrations also provide opportunities for our international students to interact with other residents, building stronger community spirit and cultural understanding.

Parties are also organised during Easter, Thanksgiving and Christmas to give students who are not returning home an opportunity to celebrate these important holidays. Some of the activities included games such as Easter Egg Hunt.

To welcome our new residents in Australia, the UK and the US, we organised a Welcome Party and Residents' Night. During this event, we arranged for local food delights as well as games and quizzes to encourage residents to interact with each other, creating new friendships and bonds.

Centurion also held a global Halloween celebration, which included an online campaign with prizes worth more than SGD1,000. Residents from all our student accommodations were encouraged to create a Halloween-appropriate recipe and share the recipe with fellow residents around the world. Through this event, we created opportunities for our global network of residents to interact with each other. We also held on-site events to foster stronger community spirit.

ACTIVITIES PROMOTING HEALTH AND WELL-BEING

In 2019, Centurion organised a series of activities to promote healthy living amongst residents.

In Australia, we engaged professional chefs to organise regular cooking lessons for our residents. They were able to pick up basic cooking skills for various cuisines such as Italian, Vietnamese, Chinese, Mexican and Western.

We also conducted salsa dance lessons, English lessons as well as beauty classes. Other fun and healthy activities included sports tournaments and a pool competition for residents.

In the UK, during exam weeks, our staff prepared healthy and nutritious breakfast packs for students. These "Grab and Go" breakfast kits kept our residents healthy during a stressful period. The UK team also organised sporting tournaments for residents to encourage active living. In 2019, a soccer tournament was organised where the student teams competed against the staff teams.

In the US, we held 'Around the World' food parties which not only served nutritious meals for our residents, but also allowed them to embrace the cultures of other residents living within the same accommodation.

SUSTAINABILITY REPORT

TOURS AND EXCURSIONS TO PLACES OF INTEREST

Centurion frequently organises tours and excursions around the city and to places of interest for our student residents to familiarise themselves in a new city and learn more about its culture.

In the UK, we set up free culture crawls for students to attend during the weekend in Liverpool and Manchester. Both events were popular with international students and new students to the city and it helped them settle in and get used to their new surroundings.

Residents from dwell Australia on City Walking Tour led by our Resi-Life team in dwell East End Adelaide

Students from our UK accommodation were invited to attend a sponsored weekend trip to the Lake District. The event was well-received and helped international students to settle in faster and make friends with fellow participants.

In Australia, we organised walking tours around Adelaide city as well as to the universities for residents who were new to the city. The students were able to learn about key places of interest as well as helpful tips about living in Adelaide. This allowed them to familiarise themselves with their new surroundings and quickly build friendships with other residents who joined the trip.

Residents in Adelaide also enjoyed a day out to Kangaroo Island to experience the wildlife, food and local art scene this South Australian island has to offer. This event helped foster a much closer bond between our staff and students.

CONTRIBUTING TO THE WIDER COMMUNITY

We are committed to be a responsible corporate citizen. As we carry out the day-to-day running of business operations, we are mindful of leaving a positive impact in our local community.

Centurion contributes to several community initiatives through donations and volunteering, as well as partnering with local welfare organisations in various initiatives. We also encourage our residents and employees to volunteer in community initiatives.

Amount invested in CSR initiatives in 2019: SGD490,663 (Up from SGD326,380 in 2018).

HIGHLIGHTS OF CSR INITIATIVES BY OUR WORKERS RESIDENTS

PROMOTING AND MAINTAINING HARMONY WITHIN THE COMMUNITY

Since 2011, over 30 residents of Westlite Toh Guan in Singapore have been actively involved in Toh Guan Patriots programme annually. The Toh Guan Patriots patrol the neighbourhood in the Clementi district, helping various stakeholders such as the Singapore Police Force, Singapore Civil Defence Force and grassroot organisations to convey important crime prevention advice, reminders against displaying anti-social behaviours and assisting with fire evacuation drills and exercises.

This has played an important role in maintaining social and community harmony between local residents and migrant workers who live in the same district.

In 2019, residents and staff from ASPRI-Westlite Papan also joined the Taman Jurong Town Council members in block inspections to help maintain cleanliness and harmony within the district. This is part of the community service in partnership with Taman Jurong Citizens Consultative.

RED CROSS BLOOD DONATION

Staff members and residents of Westlite Singapore participated in Red Cross's Blood Donation drive. In addition to the posters which Red Cross provided, Centurion designed additional posters and banners in three different languages, which are native to the majority of our residents. This drove greater awareness for this donation drive. As a result, we donated more than 88 units of blood.

COMMUNITY CHEST HEARTSTRINGS WALK

More than 20 residents from Westlite Accommodation in Singapore volunteered and joined staff from Centurion in the Community Chest Heartstrings Walk on a Sunday. This event was held to promote collaboration between the people, public and private sectors to promote a caring and more inclusive Singapore for everyone.

Two teams from Centurion also participated in the Vertical Marathon organised by the Community Chest, which saw staff members racing up 57 storeys with nine other participants with special needs.

OUTREACH TO BENEFIT FOREIGN WORKERS IN SINGAPORE

We were venue sponsors for Touch International, along with Centurion's MyMA foreign worker's mobile app as the disbursement platform, to give away S$500,000 worth of vouchers to foreign workers in Singapore. We helped distribute these electronic cash vouchers that were sponsored by Touch International to 50,000 foreign workers in Singapore.

SUSTAINABILITY REPORT

MyMA team helping foreign workers from all over Singapore redeem the cash vouchers funded by Touch International

HIGHLIGHTS OF CSR INITIATIVES BY OUR STUDENT RESIDENTS

DONATION DRIVES

In Australia, UK and the US, donation bins were set up in reception areas of our dormitories near moving out period to encourage residents to donate items to the less fortunate. Beneficiaries included Diabetes Australia, Red Nose Australia, British Heart Foundation and Hatching Hope in USA.

Centurion also makes donations twice a year to the Salvation Army Homelessness Appeal in Australia, through the form of material and practical items, as well as monetary donations.

In the US, we started a "Random Acts of Kindness" drive across all our properties. Each month, tangible items such as blankets, food, dog food and toys would be donated to a selected beneficiary. We organised a food drive in November to donate canned foods to homeless shelters. In December, we organised "Staying Warm", a blanket donation drive which helped the homeless fend off the cold. We also partnered local animal shelters to donate food items to animals in need.

FUNDRAISING EFFORTS

Centurion has held several fundraising events to raise awareness and funds for the local community.

In Australia, we organised the "Biggest Morning Tea" event to raise funds for the Cancer Council in Melbourne. We also organised Good Friday Street Appeal event to help raise funds for local children's hospital.

As part of our efforts to raise awareness and promote conversations on mental health, we took part in a "R U OK" Bake Sale event. Our residents and staff members in Australia also took part in Swags for the Homeless fund raiser events, to provide support in material aid and emergency relief for the homeless in Australia.

In Singapore, staff members held a charity sale in Corporate Office and raised funds to support the Children's Cancer Foundation. More than 30 staff members from the Corporate Office participated in the SGX Bull Charge Charity Run 2019, raising funds for beneficiaries such as Autism Association (Singapore), AWWA Ltd (a multi-service Voluntary Welfare Organisation), Fei Yue Community Services, HCSA Community Services as well as other Children & Youth, Family and Elderly programmes.

Centurion also contributed to several other charity organisations and Non-Profit Organisations including Singapore Migrant Workers Centre through Charity Golf Event, The Business Times Budding Artist Fund, The Straits Times School Pocket Money Fund, Fei Yue Community Services, Very Special Arts Singapore as well as Singapore Children's Society.

ENVIRONMENTAL PERFORMANCE

Climate change and resource scarcity are pressing global issues that demand a coordinated response from governments, companies and individuals. Centurion Corporation is a responsible company that is committed to mitigating these environmental issues. The main sources of environmental impact from our operations comes from the use of energy and water, greenhouse gas emissions as well as the generation of waste. The Group has therefore put in place plans and targets to minimise our environmental footprint in the aforementioned areas.

The Group is complied with all applicable environmental laws and regulations in our business activities. In 2019, there were no incidents of non-compliance with environmental laws and regulations resulting in significant fines or non-monetary sanctions in the reported period.

We also believe that our employees as well as residents, both workers and students, can play an important role in reducing their impact on the environment by adopting more sustainable lifestyles. Our approach is to educate them by engaging with them to promote environmental awareness.

ENERGY & GHG EMISSIONS

The main source of energy we use in our properties is purchased electricity. Reducing non-renewable energy use not only helps mitigate climate change, but lowers the cost of our operations. Centurion is therefore committed to reducing or maintaining its current average electricity consumption per person for both employees and residents.

We track and monitor our electricity consumption to identify opportunities for improving energy efficiency. Where possible, we install energy efficient lighting and equipment to minimise energy consumption. We strive to use energy-efficient mechanical and electrical equipment that helps us reduce operational cost. We create naturally ventilated circulation spaces within confined spaces, such as covered car parks, common corridors and accommodation units, to reduce reliance on electricity use.

Some of the energy-saving initiatives we have implemented include:

- Refurbishment of our properties in Australia, the US and UK to include more energy saving fixtures such as LED lighting, sensors and auto-switches which turn off lights and fans when not in use
- Lifts that operate on a variable voltage and frequency motor drive with sleep mode features

SUSTAINABILITY REPORT

- Energy-efficient air-conditioning, LED lights and certified water fittings
- Use of sunshade and tinted glazing to minimise energy usage related to air-conditioning
- Minimise west-facing facades 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, which are designed to regulate electricity consumption at common areas during different times of the day in our PBWA and PBSA assets
- Worker dormitories that are parted by walls with an opening at the top to allow cross ventilation
- Use of paint with low volatile organic compounds for internal spaces and enamel paint for common walkways to minimise maintenance cleaning

In addition, we began implementing solar energy solutions to complement our energy needs. In February 2019, we signed a 20-year solar power purchase agreement with sustainable energy provider Sunseap Group to install solar panels at our ASPRI-Westlite Papan workers dormitory in Singapore.

Under the agreement, Sunseap installed a 170-kilowatt peak solar system on the rooftop of the property. This helped the dormitory reduce its carbon footprint by a third and will lower the cost of operations by S$200,000 over the next 20 years.

We are actively exploring the feasibility of using renewable energy at our properties to further reduce our carbon footprint.

In 2019, we also refurbished of our properties in Australia, the US and UK to include more energy saving fixtures such as LED lighting, sensors and auto-switches which turn off lights and fans when not in use.

In 2019, we used 28,389 MWh of electricity that we purchased from local power utilities. By business segments, our PBWA's business accounted for 66% of the overall electricity consumption followed by our PBSA business at 32%. The remaining electricity consumption takes place at our headquarters. Our operations in Singapore accounts for the majority of our electricity use at 49% followed by Malaysia at 22%.

The increase in energy consumption for 2019 compared with 2018 is due to the asset enhancement activities and improved electrical furnishings and equipment for both PBWA and PBSA properties:

- Started construction of extension wing for Westlite Tampoi and installation of water pump systems for our PBWA assets in Malaysia;
- Newly launched PBSA dwell East End Adelaide has 208 ensuite studio apartments furnished with air-conditioning, full-sized fridge and ensuite bathroom;
- Refurbished communal areas in PBSA RMIT Village in Melbourne, which have been built to be bigger, are ventilated by air-conditioning, along with 160 new studio bedrooms furnished with full-sized fridge and wall heater; and
- Two new PBSA properties, dwell Princess Street and dwell Castle Gate Haus, in the United Kingdom features ensuite rooms and one-bedroom and two-bedroom studio apartments that are equipped with heaters and the former with full kitchen appliances.

ELECTRICITY CONSUMPTION AND SCOPE 2 EMISSIONS

	FY2019	FY2018	FY2017
Electricity consumption (MWh)	28,389	26,632	32,619
Energy used from electricity consumption (GJ)	102,200	95,876	117,428
Average kWh electricity consumption per person (employees and residents)	647	607*	700*
Indirect GHG Emission (Scope 2) – Tonnes CO_2e	14,183	13,240	13,844
Average $kgCO_2$ emission per person (employees and residents)	289	301*	297*

Note: Emission factors used for the calculation of 2019 emissions is based on country specific emissions factors. This includes the Electricity Grid Emission Factor published by the Energy Market Authority for Singapore, http://www.seda.gov.my/statistics-monitoring/co2-avoidance/ for Malaysia, The National Greenhouse Accounts Factor published by the Australian Government, Department of Environment and Energy, conversion factors published by the UK Government, and the Emissions & Generation Resource Integrated Databased (eGRID) for the United States. Scope 2 emissions for 2017 and 2018 were calculated based on the Electricity Grid Emission Factor published by the Energy Market Authority, Singapore. Additional properties in Penang and Adelaide is included in the FY2019 calculations.

* *Figures for FY2017 and FY2018 have been adjusted using the calculation methodology for FY2019, which is based on physical resident occupancy instead of financial occupancy.*

SUSTAINABILITY REPORT

	FY2019	FY2018	FY2017
Water consumption (m^3)	2,909,650	2,818,414	2,835,541
Water intensity (m^3/person)	66	64*	60*

* *Comparative figures has been adjusted to conform to current year's calculation which is based on physical resident occupancy and not financial occupancy.*

WATER

Water is a valuable natural resource that must be conserved. Centurion aims to reduce or maintain its current average water consumption per person for both employees and residents.

All of our water supply comes from public utilities and the Group faces no issues in sourcing water that is fit for purpose. In 2019, the bulk of our water usage came from the use of water by residents for domestic purposes. The increase in water consumption was due to an increase of ensuite bedrooms and studio apartments in the UK, and unforeseen plumbing issues like recurring burst pipes in the newly-built dwell Princess Street, which was acquired in September 2018.

We closely monitor water use intensity (water used per person) and prevent water wastage by ensuring preventive maintenance of water fittings and pipes. We have also installed thimbles on taps to reduce water flow. In Singapore, our PBWA properties are compliant with the Public Utilities Board's (PUB) Water Efficient Building (Basic) Certification and we have been recognised by PUB for having the lowest water consumption in the PBWA industry in Singapore.

To further reinforce the message of water conservation, the Group plans to highlight this as part of the induction process for new residents, as well as to develop permanent signages in bathroom and kitchen areas. The Group will also work with its properties to reduce the usage of water in daily activities, for instance through collecting rainwater and using pails instead of a running hose to mop the floor.

We will also engage with employees and residents to create awareness about water conservation through educational campaigns. These include posters and signages at our properties to encourage residents to be conscious of water use.

In some PBWA assets, our residents are responsible for their own utility bill and as such, we do not have available consumption data. These are excluded from the calculation above. In the UK and the US, some of our properties are unmetered and hence the water consumption data is an estimated figure.

WASTE

Centurion is committed to disposing of waste generated at our assets in accordance with local regulations. General waste is disposed of through licensed contractors. Our operations do not generate hazardous waste.

We have implemented an internal recyclables programme to encourage residents to separate containers, paper and cardboard from general waste. In 2019, we used a total of 466 tonnes of paper waste. Going forward, we plan to collect data and report on the total amount of non-hazardous waste generated at our sites.

SUSTAINABILITY REPORT

TALENT ATTRACTION, DEVELOPMENT AND RETENTION

People are the core of our business at Centurion. Our employees play an important role in our goal to provide a home away from home for our student and worker residents.

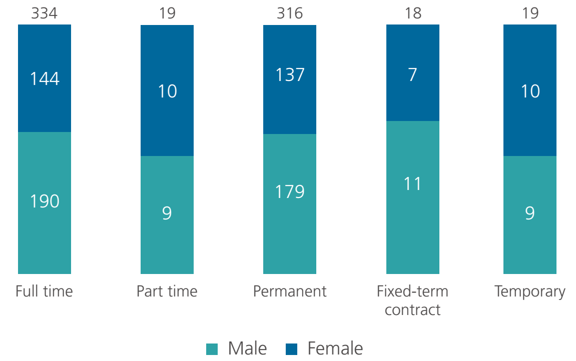
The Group is committed to promoting a cohesive, diverse, skilled and high performing workplace. We aim to attract a diverse pool of talent for our workforce and maintain employee turnover at par or below benchmark average.

As a testament to our commitment to employee engagement, Centurion Corporation was awarded the HR Excellence Awards 2019 – Excellence in Total Rewards Strategy Award, a recognition for our commitment to attract, motivate and retain top talents through a holistic and competitive total rewards strategy.

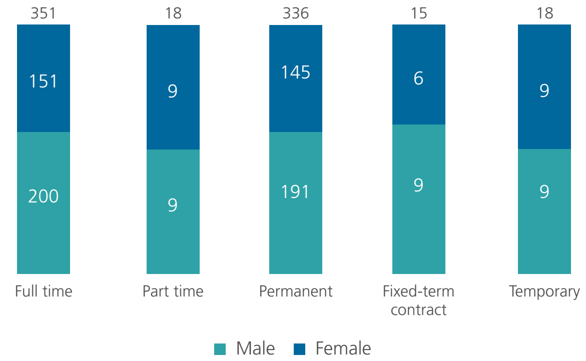
EMPLOYEE PROFILE

At the end of FY2019, the Group had a total headcount of 353. Approximately half of our workforce was based in Singapore.

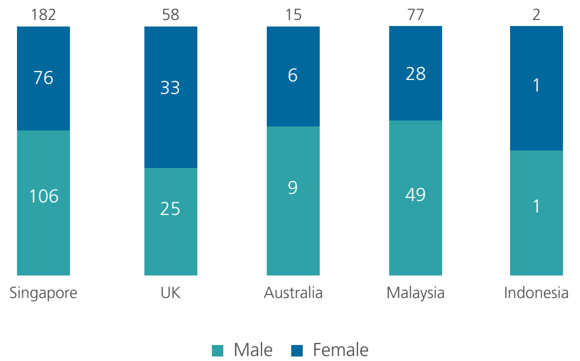
TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER – 2019



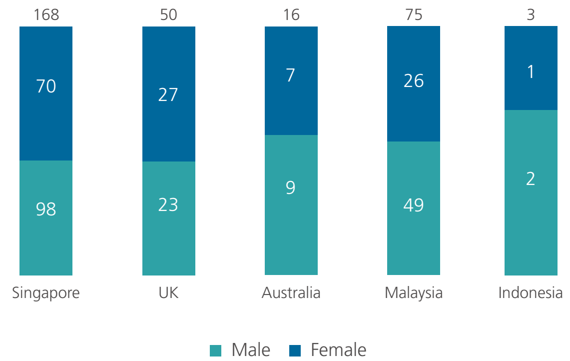
TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER – 2018



TOTAL NUMBER OF EMPLOYEES BY GEOGRAPHY AND GENDER – 2019

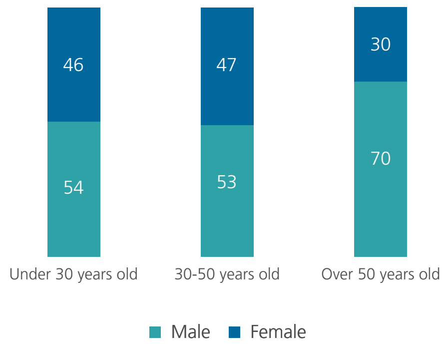


TOTAL NUMBER OF EMPLOYEES BY GEOGRAPHY AND GENDER – 2018

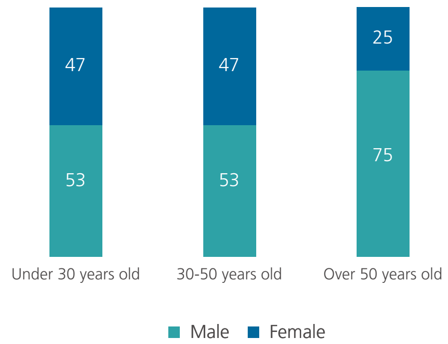


SUSTAINABILITY REPORT

PERCENTAGE OF EMPLOYEES BY AGE GROUP AND GENDER – 2019

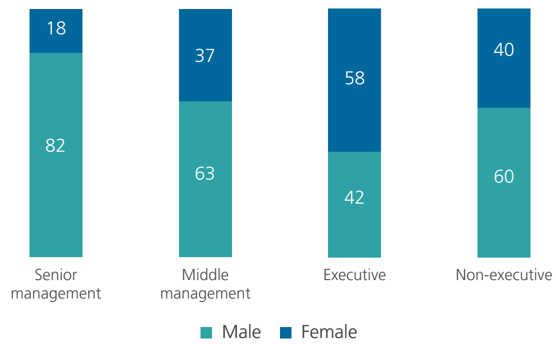


PERCENTAGE OF EMPLOYEES BY AGE GROUP AND GENDER – 2018



PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER – 2019

PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER – 2018



NUMBER AND RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

	2019			
	Number of new hires	Rate of new hires	Number of turnovers	Rate of turnovers
Age Group				
Under 30 years old	50	14%	20	6%
30 -50 years old	34	9%	32	8%
Over 50 years old	14	4%	11	3%
By Gender				
Female	40	60%	19	20%
Male	58	71%	44	40%
By Geography				
Singapore	49	27%	36	20%
UK	20	34%	14	24%
Malaysia	10	10%	12	12%
Australia	19	59%	1	3%

SUSTAINABILITY REPORT

HUMAN RESOURCE POLICIES

We promote a workplace based on mutual respect and trust and we have adopted policies and practices to nurture well-rounded employees through training, career development and talent management.

Our policies comply with employment laws relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Our HR policy is aligned with the recommended Principles of Fair Employment Practices set out in the Tripartite Guidelines on Fair Employment Practices in Singapore:

- Recruit and select employees on the basis of their merit regardless of age, race, gender, religion, marital status and family responsibilities, or disability
- Fairness and respect
- Adopting progressive human resource management systems
- Providing 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 the Tripartite Guidelines on Fair Employment Practices

We periodically review our policies to ensure they remain relevant and effective. To do so, we conduct employee opinion surveys to gather feedback from staff.

LOCAL HIRING

We prefer to hire local talent in the markets where we operate our residential services. In FY 2019, the majority of our senior management were hired from the local community.

DIVERSITY AND EQUALITY

We value diversity of culture, race, gender, opinions and the competency of our employees. As Centurion has business operations in several geographies, having a diverse workforce allows us to better understand the cultural sensitivities of our residents from different backgrounds and markets.

In line with our diversity and inclusion approach, Centurion also supports the hiring of employees with disabilities.

Team from Malaysia and Singapore Westlite attending 2-day Brand Training and Workshop in October.

TRAINING AND DEVELOPMENT

We provide ample opportunities for ongoing training of our employees, which is crucial for building and updating skills needed to support our business operations.

The Group has implemented a training & development programme to provide training and education opportunities to our employees to improve their awareness, capability and productivity, upgrading their skills and knowledge. This is done through in-house training, external courses, seminars, workshops and on-site programmes.

Some of the key topics which were highlighted in the training sessions include accounting and finance, e-commerce trends and insights, responding to terrorist threats, handling difficult colleagues and customers, first aid, fire training and evacuation, and on the company's policies. Staff were also encouraged to participate in regular lunch and learn sessions and gain overseas work exposure.

In 2019, our total training expenditure was about S$134,823.

	2019							
	Senior Management		Middle Management		Executive		Non-Executive	
	Male	Female	Male	Female	Male	Female	Male	Female
Average training hours per employee by employee category	15	22	39	31	25	22	21	20

SUSTAINABILITY REPORT

	2019				
	Singapore	Malaysia	Australia	UK	Indonesia
Total Training Expenditure by country	67% S$90,559	13% S$16,916	4% S$5,498	14% S$18,706	2% S$3,144

For FY2020, we are planning a roll out of a new e-learning platform to make it easier for employees to participate in their training and skills upgrading online.

PERFORMANCE MANAGEMENT

We reward our employees based on merit, capability, experience, qualification and performance.

All of our full-time employees participate in an annual performance appraisal exercise aimed at objectively reviewing their performance as well as identifying their development needs. We also organise meetings to provide feedback to employees on their performance and seek feedback from them on the organisation.

SUCCESSION PLANNING

We have implemented succession planning for senior management to identify and develop new leaders. A succession pipeline of talented leaders reduces the risk of disruption in the case of exigencies.

EMPLOYEE RETENTION

Our human resource's policies are geared toward attracting and retaining suitable talents to support our business growth. Some of the initiatives we have implemented in the last year include the launch of telemedicine services to provide accessible healthcare to employees, an added vision care benefit, flexible working arrangements, corporate social responsibility activities and social events.

HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

The Group maintains a high level of health and safety standards across our properties and comply with all relevant regulations where we operate. We aim to maintain our zero-accident target for the year ahead.

The Group's health and safety committee, chaired by our Chief Operating Officer, periodically reviews our health and safety policies and implementation. Each site also nominates a health and safety representative who reports to the health and safety committee.

We monitor the health and safety performance of our sites using internationally accepted metrics that record injury rate, occupational disease rate, lost day rate, absentee rate and work-related fatalities.

EMPLOYEE SAFETY DATA

	Singapore		UK		Malaysia		Australia	
	Male	Female	Male	Female	Male	Female	Male	Female
Fatalities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Injury Rate	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Occupational Disease Rate	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lost Day Rate[1]	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Absentee Rate[2]	2.6%	2.5%	9.1%	9.5%	7.5%	8.9%	1.3%	1.5%

1 *Lost day rate is the impact of occupational diseases and accidents as reflected in time off by affected workers.*

2 *Absentee rate measures actual absentee days last, expressed as a percentage of total days scheduled to be worked by workers for the same period.*

CUSTOMER HEALTH AND SAFETY

Similarly, Centurion is committed to ensuring the health and safety of our residents. We have measures in place to ensure that zero accidents occur to the best of our ability. These include a comprehensive induction process for all new residents to highlight house rules and protocols.

We work closely with stakeholders such as local authorities, welfare organisations, universities and healthcare providers on initiatives to promote health and safety amongst our worker and student residents. There were no incidents of non-compliance concerning the health and safety of our accommodations and services in 2019.

In the UK, Centurion Student Services (UK) Ltd and dwell Student Living Health and Safety Committee operate within an agreed Terms of Reference and monitors its Health and Safety Policy, Asbestos Safety Policy, Domestic Gas Policy, Fire Safety Policy, Lift Safety Policy, Water Safety Policy to adhere to relevant safety management plans and guidance documents. The documents assist accommodation managers to implement health and safety measures consistently across all our UK properties to ensure the safety of residents, staff and visitors.

In Australia, risk registers to ensure health and safety in Centurion's properties are reviewed on a monthly basis. Business continuity plans and an Emergency Management Plan are in place while emergency response training exercises are conducted with staff twice a year. Fire drills are also conducted annually.

The Group conducts an annual review of all its operational policies for internal and external compliance purposes.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

This report has been prepared with reference to the GRI Standards: Core option. The table below presents our GRI content index, which specifies each of the GRI Standards used in the report with a reference where the information can be found. Where we were not able to meet the GRI Standards reporting requirements, we have included our reasons for the omission in the table below.

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	**Organisational Profile**	
	102-1 Name of the organization	Centurion Corporation Limited
	102-2 Activities, brands, products, and services	1, 18 - 19, 22 - 29
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	17, 20-29
	102-5 Ownership and legal form	2
	102-6 Markets served	17-29
	102-7 Scale of the organization	18 - 31, 56, 63
	102-8 Information on employees and other workers	63-66
	102-9 Supply chain	55
	102-10 Significant changes to the organization and its supply chain	3 - 7, 37 - 40
	102-11 Precautionary Principle or approach	33 - 34, 88 - 90, 197
	102-12 External initiatives	44, 49, 55, 59 - 60
	102-13 Membership of associations	55
	Strategy	
	102-14 Statement from senior decision-maker	4-7
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	2, 55 - 56
	Governance	
	102-18 Governance structure	74 - 98
	102-19 Delegating authority	Corporate Information
	102-20 Executive-level responsibility for economic, environmental, and social topics	52
	Stakeholder Engagement	
	102-40 List of stakeholder groups engaged	53 - 55
	102-41 Collective bargaining agreements	None
	102-42 Identifying and selecting stakeholders	53 - 55
	102-43 Approach to stakeholder engagement	53 - 55
	102-44 Key topics and concerns raised	53 - 55
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	17
	102-46 Defining report content and topic Boundaries	52
	102-47 List of material topics	53
	102-48 Restatements of information	None
	102-49 Changes in reporting	49

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
	102-50 Reporting period	49
	102-51 Date of most recent report	March 2019
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	49
	102-54 Claims of reporting in accordance with the GRI Standards	49
	102-55 GRI content index	67 - 70
	102-56 External assurance	49
TOPIC SPECIFIC DISCLOSURES		
ECONOMIC		
Material Topic: Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52 - 53
	103-3 Evaluation of the management approach	52
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	56
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	65
Material Topic: Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	53, 56 - 60
Material Topic: Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	55 - 56
	205-3 Confirmed incidents of corruption and actions taken	55 - 56
ENVIRONMENTAL		
Material Topic: Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 302: Energy 2016	302-1 Energy consumption within the organization	51, 60 - 61
	302-3 Energy intensity	51, 60 - 61
Material Topic: Greenhouse Gas Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	51, 60 - 61
	305-4 GHG emissions intensity	51, 60 - 61
Material Topic: Wate		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	51, 60, 62
SOCIAL		
Material Topic: Attract, Develop and Retain Talent		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	64
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	51, 65 - 66
	404-3 Percentage of employees receiving regular performance and career development reviews	66
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	65
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	65
Material Topic: Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 403: Occupational health and safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	66
	403-2 Types of injury and rate of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	66
Material Topic: Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 416: Customer health and safety 2016	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	66
Material Topic: Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52-53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	50, 57 - 60, 105

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
Material Topic: Socio-Economic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 419: Socio-economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	55 - 56
Others		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	60 - 62

HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INDEX

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	52 - 53, 60 - 62
KPI A1.1	The types of emissions and respective emissions data	52 - 53, 60 - 61
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	52-53
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	62
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	62
KPI A1.5	Description of measures to mitigate emissions and results achieved	52 - 53, 60 - 62
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	62
A2. Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	52 - 53, 60 - 62
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)	52 - 53, 60 - 62
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	52 - 53, 60 - 62
KPI A2.3	Description of energy use efficiency initiatives and results achieved	52 - 53, 60 - 62
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	52 - 53, 60 - 62

SUSTAINABILITY REPORT

Aspect	Disclosure	Page Number
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable
A3. The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	53
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	53
Employment and Labour Practices		
B1. Employment		
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	53, 63 - 66
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	63 - 66
B2. Health and Safety		
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 providing a safe working environment and protecting employees from occupational hazards	53, 63 - 66
KPI B2.1	Number and rate of work-related fatalities	66
KPI B2.2	Lost days due to work injury	66
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	66
B3. Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	53, 63 - 66
B4. Labour Standards		
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 preventing child and forced labour	63 - 66
KPI B4.1	Description of measures to review	63 - 66
KPI B4.2	Description of steps taken to eliminate such practices when discovered	63 - 66
Operating Practices		
B5. Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	55 - 56
KPI B5.1	Number of suppliers by geographical region	55 - 56
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	55 - 56

SUSTAINABILITY REPORT

Aspect	Disclosure	Page Number
B6. Product Responsibility		
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Not applicable
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Not applicable
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Not applicable
KPI B6.4	Description of quality assurance process and recall procedures	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not applicable
B7. Anti-Corruption		
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 bribery, extortion, fraud and money laundering	53, 55 - 56
KPI B7.1	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	53, 55 - 56
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	53, 55 - 56
Community		
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	51, 53, 56 - 60
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	51, 53, 56 - 60
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	51, 53, 56 - 60

SGX PRIMARY COMPONENTS INDEX (ESG) INDEX

Primary Component	Page No.
Material ESG factors	52 - 53
Policies, practices and performance	46 - 66
Targets	52 - 53
Sustainability Reporting Framework	49
Board Statement	50

CORPORATE GOVERNANCE

Centurion Corporation Limited (the "Company" and together with its subsidiaries and associated companies, the "Group") is committed to maintaining good standards of corporate governance and business conduct so as to enhance long-term shareholder value whilst taking into account the interests of other stakeholders. This report describes the Company's corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018 of Singapore (the "2018 Code"), as required under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company's ordinary shares are also listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") ("Dual Primary Listing"), since 12 December 2017 (the "Listing Date"), and hence, 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 2018 Code and the HK CG Code, the Company will comply with the more stringent requirements.

As at the date of this report, the Company has complied with the principles and provisions of the 2018 Code and HK CG Code. Where there are any deviations from the provisions of the 2018 Code and HK CG Code, appropriate explanations have been provided in this report.

BOARD MATTERS

The Board's Conduct of Affairs – *Principle 1*

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company

Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance. The Board, in addition to its statutory responsibilities, supervises the overall management and business affairs of the Group and monitors the performance of Management. It provides entrepreneurial leadership, sets strategic direction for the long-term success of the Company, sets the Group's values and standards (including ethical standards), reviews the operational and financial performance of the Group to enable the Group to meet its objectives and works with Management to make objective decisions in the interest of the Group. The Board also sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. When facing a conflict of interest, a Director rescues/abstains himself or herself from discussions and decisions involving the matter/issue of conflict *(Provision 1.1 of 2018 Code)*.

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. Management has been given clear directions on matters that require Board's approval, and these are communicated to Management in writing *(Provision 1.3 of 2018 Code)*.

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 *(Provision 1.1 of 2018 Code)*.

To assist in discharging its duties, the Board has delegated specific responsibilities to three (3) Board Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee *(Provision 1.4 of 2018 Code)*. 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 four (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 circulation of written resolutions for approval by the relevant members of the Board and/or Board Committees.

CORPORATE GOVERNANCE

Directors' Attendance

Details of Directors' attendance at Board and Board Committee meetings and general meeting(s) held in the financial year ended 31 December 2019 ("FY2019") are summarized in the table below *(Provisions 1.5 and 11.3 of 2018 Code)*:

Name	Board of Directors Meeting	Audit Committee Meeting	Nominating Committee Meeting	Remuneration Committee Meeting	Annual General Meeting
Number of meetings held in FY2019	5	4	2	2	1
Wong Kok Hoe[(a)]	5	*4	*1	2	1
Loh Kim Kang David[(b)]	5	*4	*1	–	–
Han Seng Juan[(b)]	4	*3	*1	–	1
Teo Peng Kwang	5	*4	*1	–	–
Chandra Mohan s/o Rethnam	5	4	*2	2	1
Gn Hiang Meng	5	4	2	*2	1
Owi Kek Hean	5	4	2	*1	1
Tan Poh Hong	5	*3	2	2	1
Lee Wei Loon[(c)]	1	NA	NA	NA	NA

* *Attendance of Director (who was non-member) by invitation of the Board Committee.*

Notes:

NA – not applicable as the director was not a member of the Board and Remuneration Committee at the time of the meetings.

(a) On 13 November 2019, Wong Kok Hoe was re-designated from Non-Executive Director to Executive Director and appointed Deputy Chairman of the Board; and ceased as Chairman of the Board and a member of the Remuneration Committee.

(b) Loh Kim Kang David and Han Seng Juan were appointed Joint Chairmen of the Board on 13 November 2019.

(c) Lee Wei Loon was appointed a Director and a member of the Remuneration Committee on 13 November 2019 and had attended the Board meeting on 12 November 2019 by invitation of the Board.

Code provision A.2.7 of the HK CG Code has been revised to require that the Chairman of the Board should at least annually hold meetings with Independent Non-Executive Directors without the presence of other Directors. During FY2019, a meeting was held between the Chairman of the Board and the Independent Non-Executive Directors without the presence of other Directors.

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 understand 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 *(Provision 1.2 of 2018 Code)*. All Directors have been provided a formal letter of appointment setting out the key terms of their appointments, duties and obligations. Other than Lee Wei Loon ("Mr Lee") who was appointed Independent Non-Executive Director of the Company on 13 November 2019, there were no other Directors appointed during the financial year under review.

Directors are encouraged to attend, at the Company's expense, relevant trainings, seminars and courses conducted by external organisations such as the Singapore Institute of Directors ("SID") and Accounting and Corporate Regulatory Authority of Singapore ("ACRA") as part of their continuing professional/skills development. These are informed to the Directors by Management. The Directors are also 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 *(Provision 1.2 of 2018 Code)*.

CORPORATE GOVERNANCE

To keep pace with new laws and regulations, news releases/guidance issued by the SGX-ST, ACRA and SEHK, 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 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 *(Provision 1.2 of 2018 Code)*.

The Company had arranged for Mr Lee to attend training courses, as prescribed by SGX-ST, conducted by SID to be held in March 2020 to familiarise himself with the roles and responsibilities as a Director of a listed company in Singapore. During FY2019, Wong Kok Hoe ("Mr Wong") has attended seminars and trainings in relation to Executive and Director Remuneration conducted by SID and participated in e-training provided by the SEHK on the topic, INED's Role in Corporate Governance. Teo Peng Kwang has attended seminars and trainings on the topic, Listed Entity Director Essentials conducted by SID. Tan Poh Hong ("Ms Tan") has attended seminars and trainings on the topics Disruptive Technologies for Directors, Executive and Director Remuneration, and Business Transformation Through Design Thinking, conducted by SID. All the Directors have also participated in an e-training provided by the SEHK in relation to ESG Governance and Reporting *(Provision 1.2 of 2018 Code)*.

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 corporate governance requirements in Singapore and Hong Kong. Mr Lee has also been briefed and attended trainings (via video conferencing) 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 CG Code, 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 has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company

With effect from 13 November 2019, Han Seng Juan ("Mr Han") and Loh Kim Kang David ("Mr Loh"), Non-Executive Directors of the Company, were appointed Joint Chairmen (individually referred to as the "Joint Chairman") of the Board; and Mr Wong relinquished his roles as Chairman of the Board and a member of the Remuneration Committee and was re-designated from Non-Executive Director to Executive Director and appointed Deputy Chairman of the Board.

As at the date of this Annual Report, the Board comprises two (2) Executive Directors, two (2) Non-Executive Directors and five (5) Independent Non-Executive Directors, as follows *(Provisions 2.2 and 2.3 of 2018 Code)*:

Loh Kim Kang David (Joint Chairman)	–	Non-Executive Director
Han Seng Juan (Joint Chairman)	–	Non-Executive Director
Wong Kok Hoe (Deputy Chairman)	–	Executive Director
Teo Peng Kwang	–	Executive Director
Gn Hiang Meng	–	Lead Independent Director
Chandra Mohan s/o Rethnam	–	Independent Non-Executive Director
Owi Kek Hean	–	Independent Non-Executive Director
Tan Poh Hong	–	Independent Non-Executive Director
Lee Wei Loon	–	Independent Non-Executive Director

The Board currently comprises a majority of independent and non-executive Directors as the Joint Chairmen of the Board are not independent *(Provision 2.2 of 2018 Code)*.

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.

CORPORATE GOVERNANCE

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 Executive, 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, provide an appropriate balance and diversity of the relevant skills, experience and expertise required for effective management of the Group *(Provision 2.4 of 2018 Code)*.

Key information regarding the Directors, including their appointment dates, date of last re-appointment as a Director, relationships between the Directors (if any), current and past 3 years' directorships or chairmanships held 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 8 to 12 in this Annual Report *(Provision 4.5 of 2018 Code)*. In addition, information on shareholdings (if any) held by each Director in the Company can be found on page 101 of this Annual Report.

The Company has received written annual confirmation from each of the Independent Non-Executive Directors in respect of his/her independence pursuant to Rule 210(5)(d) of the Listing Manual of SGX-ST, 2018 Code and Rule 3.13 of the HK Listing Rules.

The Nominating Committee had reviewed the independence of each Director for FY2019 in accordance with the definition of independence/circumstances set out in the 2018 Code and accompanying Practice Guidance *(Provision 4.4 of 2018 Code)*, Rule 210(5)(d) of the Listing Manual of the SGX-ST and circumstances/factors set forth under Rule 3.13 of the HK Listing Rules, and is satisfied that a majority 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.

Each member of the Nominating Committee had abstained from deliberation in respect of the assessment of his or her own independence.

The Independent Non-Executive Directors are independent in conduct, character and judgement and are not related to and do not have any relationship (whether familial, business, financial, employment, or otherwise) with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company *(Provision 2.1 of 2018 Code)*.

In respect of the Independent Non-Executive Directors, namely, Gn Hiang Meng ("Mr Gn") and Chandra Mohan s/o Rethnam ("Mr Mohan"), who have served on the Board of the Company for more than nine (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 Mohan have provided invaluable contributions to the Board through their integrity, objectivity and professionalism notwithstanding the years of service.

(ii) Both Mr Gn and Mr Mohan have expressed succinctly and objectively their views on issues and provided relevant and invaluable input during Board and/or Board Committee Meetings.

(iii) Both Mr Gn and Mr Mohan have continued to demonstrate strong independence in character and judgement in the best interest of the Company in the discharge of their duties as Directors.

(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 (being a Nominating Committee member, Chairman of the Audit Committee and Board member) and Mr Mohan (being a Board member, member of the Audit Committee and Chairman of the Remuneration Committee) had rescued himself from deliberation and voting in respect of the assessment on his own independence.

CORPORATE GOVERNANCE

Accordingly, the Nominating Committee had recommended to the Board that both Mr Gn and Mr Mohan to continue to be considered Independent Non-Executive Directors. After due consideration, the Board has resolved that Mr Gn and Mr Mohan continue to be considered Independent Non-Executive Directors and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

The Company notes that Mr Gn and Mr Mohan will have to comply with the requirements of Rule 210(5)(d)(iii) of the SGX-ST's Listing Manual, for purposes of continuing to be designated as Independent Non-Executive Directors, when it becomes effective on 1 January 2022. The Company will take the relevant steps, where appropriate, to comply with such requirements.

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 and Independent Directors meet regularly without the presence of Management.

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

The roles of the Chairman and CEO are kept separate to ensure that there is an appropriate balance of power and authority, and that accountability and independent decision making are not compromised. The Chairman/Joint Chairmen of the Board and the CEO have no close family ties and are not immediate family members *(Provision 3.1 of 2018 Code)*.

The Board has also adopted written internal guidelines on division of roles and responsibilities among the Joint Chairmen of the Board *(Provision 3.2 of 2018 Code)*.

The Joint Chairmen, Mr Han and Mr Loh, who are Non-Executive Directors, are responsible for the formulation of corporate and business strategies of the Company. They jointly and collectively are responsible for carrying out the duties of a Board chairman as prescribed under the Constitution, the HK Listing Rules, the SGX-ST's Listing Manual, the 2018 Code and/or other applicable laws or regulations. Amongst their other duties, the Joint Chairmen set the agendas for and chair Board meetings and, in consultation with the Company Secretaries, Deputy Chairman and CEO, schedule Board meetings at appropriate intervals during the year. They are 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. The Joint Chairmen promote a culture of openness and debate at the Board. They also encourage constructive relations within the Board and between the Board and Management and ensure the integrity and effectiveness of the governance process of the Board. They take a lead role in promoting high standards of corporate governance with the full support of the Directors, Deputy Chairman, CEO, Management and Company Secretaries *(Provision 3.2 of 2018 Code)*.

The Deputy Chairman, Mr Wong, assisted by the CEO, is responsible for overseeing the Group's operations and implementation of the Company's business strategies and developing new business opportunities for the Group. He also participates in the formulation of corporate and business strategies of the Company, and when the need arises, chair Board meetings or general meetings *(Provision 3.2 of 2018 Code)*.

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 *(Provision 3.2 of 2018 Code)*.

Mr Gn is the Lead Independent Director ("LID") and he is available to shareholders should they have concerns for which contact through the Joint Chairmen, Deputy Chairman, CEO or CFO is inappropriate or inadequate *(Provision 3.3 of 2018 Code)*. The Independent Directors have met without the presence of other Directors in FY2019, when necessary, and the LID has provided feedback to the Board Chairman/Joint Chairmen after such meetings, as appropriate *(Provision 2.5 of 2018 Code)*.

CORPORATE GOVERNANCE

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

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.

The Nominating Committee has in place a Director Nomination Policy which sets out the selection criteria and process in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- Diversity aspects under the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience;
- Requirements of Independent Non-Executive Directors on the Board and independence of the proposed Independent Non-Executive Directors in accordance with the HK Listing Rules and the SGX-ST's Listing Manual;
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- Such other perspectives that are appropriate to the Company's business and succession plan.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nominating Committee reviews the Director Nomination Policy to ensure its effectiveness annually or as required.

The Nominating Committee takes the lead in identifying, evaluating and selecting suitable candidates for new directorships before recommendation to the Board for appointment. The search for new Directors, if any, will be made through internal and external sources (for example, personal contacts of current Board members, or by referral of the Company's business associates or SID) and will, if considered necessary, be made through external search firms/consultants, at the Company's expense. The Nominating Committee considers potential candidates for appointments based on, *inter alia*, the candidates' qualification, knowledge, skills and experience, as well as his/her suitability to further enhance the diversity of skills, knowledge and experience of the Board in order to meet the business and governance needs of the Group. Shortlisted candidates will be evaluated by the Nominating Committee before recommending to the Board for consideration *(Provision 4.3 of 2018 Code)*.

During the year, the Board has appointed an additional Independent Non-Executive Director, Mr Lee.

The Board does not have any alternate directors.

CORPORATE GOVERNANCE

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees, and their overall contributions and 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 monitors and determines annually 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. The Nominating Committee is satisfied that, for FY2019, Non-Executive Directors and Independent Non-Executive Directors have given sufficient time and attention to the affairs of the Company and were able to adequately carry out his/her duties as a Director of the Company *(Provisions 1.5 and 4.5 of 2018 Code)*. The Board concurred with the Nominating Committee's views.

Under Code Provision A.4.1 of the HK CG Code, Non-Executive Directors should be appointed for a specific term, subject to re-election. Mr Han and Mr Loh, Non-Executive Directors of the Company, and Mr Gn, Mr Mohan and Mr Owi Kek Hean ("Mr Owi"), 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 the terms of their letters of appointment with the Company.

The other two (2) Independent Non-Executive Directors of the Company, namely, Ms Tan and Mr Lee, are also appointed for a fixed term of three (3) years commencing from 8 May 2018 and 13 November 2019, respectively, which may be terminated in accordance with the terms of their letters of appointment with the Company.

All the Directors of the Company are subject to retirement by rotation and are eligible for re-election at Annual General Meeting ("AGM"). 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 AGM. Provided that each Director shall be subject to retirement and rotation at least once in every three (3) years, in line with the requirements of SGX-ST's Listing Manual. 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 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:–

- Directors retiring by rotation under Regulation 89 of the Constitution:
  - (i) Gn Hiang Meng
  - (ii) Owi Kek Hean
  - (iii) Wong Kok Hoe

- Director retiring under Regulation 88 of the Constitution:
  - (i) Lee Wei Loon

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, Owi Kek Hean, Wong Kok Hoe and Lee Wei Loon, who will be retiring at the forthcoming AGM, as Directors following a review of their expertise, experience, overall contribution to the Company and contributions at Board and/or Board Committee meetings (such as participation, attendance, preparedness and candour) and review of their independence, as appropriate *(Provision 4.1(d) of 2018 Code)*.

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 can be found in the section entitled "Board of Directors" on pages 8 to 12 of this Annual Report and also in the Circular to Shareholders ("Circular") accompanying the Notice of the forthcoming AGM.

CORPORATE GOVERNANCE

Company Secretaries

As at the date of this Annual Report, the Company Secretaries are Hazel Chia Luang Chew ("Ms Chia"), Juliana Tan Beng Hwee ("Ms Tan") and Cheung Yuet Fan ("Ms Cheung"). 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 Cheung, a member of The Hong Kong Institute of Chartered Secretaries, as the Company's Hong Kong Company Secretary, in place of Wong Tak Yee who resigned as the Company's Hong Kong Company Secretary on 19 June 2019, 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 up to 11 December 2020. Prior to the expiry of the said period, a further evaluation of the qualifications and experience of Ms Chia and Ms Tan and the need for on-going assistance from Ms Cheung would be made. Mr Kong, CEO of the Company, is the primary contact person at the Company who would work and communicate with Ms Cheung on the Company's corporate governance and secretarial and administrative matters.

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 FY2019, Ms Chia, Ms Tan and Ms Cheung have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the HK Listing Rules.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to three (3) Board Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee. Each Board Committee has its own written terms of reference *(Provision 1.4 of 2018 Code)*. The terms of reference of these three (3) Board Committees have been amended during the financial year under review, to be in line with the SGX-ST's Listing Manual, 2018 Code and HK Listing Rules and regulations which are applicable to the Company.

Nominating Committee

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 *(Provisions 1.4, 4.1 and 4.2 of 2018 Code)*:

Owi Kek Hean (Chairman)	–	Independent Non-Executive Director
Gn Hiang Meng	–	Independent Non-Executive Director
Tan Poh Hong	–	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 *(Provision 4.2 of 2018 Code)*.

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the NC reviews annually the structure, size and composition of the Board and, where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group's operational and business requirements.

CORPORATE GOVERNANCE

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, ethnicity, professional qualifications and experience, 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 *(Provision 2.4 of 2018 Code)*.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered *(Provision 2.4 of 2018 Code)*.

The NC reviews the Board Diversity Policy, as appropriate and on an annual basis, to ensure its effectiveness including setting measurable objectives (if necessary) and will recommend appropriate revisions to the Board for consideration and approval *(Provision 2.4 of 2018 Code)*. The current make-up of the Board reflects the Company's commitment to the relevant diversity in gender, age, educational qualifications, ethnicity, skills, knowledge and industry experience as set out in the Board Diversity Policy.

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 *(Provision 4.1(d) of 2018 Code)*.

The key duties and responsibilities of the NC are summarised below *(Provisions 1.4 and 4.1 of 2018 Code)*:

- assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of the chairman and each individual Director to the effectiveness of the Board;
- 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/her 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, CEO and key management personnel; and
- reviews training and professional development programme for the Board, its Directors and senior management.

During the year, the NC met twice to review the structure, size, composition and diversity of the Board, the Board Diversity Policy and Director Nomination Policy, composition of Board Committees and independence of the Independent Non-Executive Directors, and to consider and recommend to the Board retiring Directors standing for election at the AGM, re-designation of Director and appointment of the Joint Chairmen, Deputy Chairman and new Independent Non-Executive Director, amongst its other duties *(Provision 1.4 of 2018 Code)*.

The Company strives to retain talents and groom our employees to ensure that they will and are ready to meet future business needs of the Group. The Board oversees the long-term succession planning for our senior management and ensures appropriate development and succession planning programmes are in place for key executive roles.

CORPORATE GOVERNANCE

Board Performance – *Principle 5 (including Provisions 5.1 and 5.2 of 2018 Code)*
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

The NC has adopted a formal process of evaluating the performance of the Board as a whole, and each of the Board Committees. The Board and Board Committees performance evaluation process involves completion of questionnaires by Board members. A summary of findings is prepared by the Company Secretary based on the completed questionnaires and is reviewed and deliberated by the NC before submitting to the Board for review. The Chairman of the NC confers with the Chairman of the Board on the findings and appropriate follow-up actions are taken as necessary.

The Board performance evaluation is carried out annually and the performance criteria includes, amongst other things, the Board's composition, size and expertise, timeliness of Board information, accountability and processes, Board members communication and communications with senior management and shareholders.

Performance evaluations of Board Committees, namely, Audit Committee, NC and Remuneration Committee are also conducted annually and the performance criteria includes, amongst other things, the respective Board Committees' composition, size and expertise, accountability and processes and communication with shareholders.

A peer to peer evaluation in respect of FY2019 was carried out in addition to evaluating the performance of the Board and the Board Committees as a whole. The performance of all Directors, including the Chairman, were individually reviewed by their fellow Directors by completing a questionnaire, taking into consideration, amongst others, the Director's business and industry knowledge, commitment, contributions and performance at Board and Board Committee meetings, including attendance, preparedness, participation and candour, communication skills and interaction with fellow Directors, senior management and auditors. A summary of findings is prepared by the Company Secretary based on the completed questionnaires and is reviewed and deliberated by the NC before submitting to the Board. The Chairman of the NC confers with the Chairman of the Board on the findings and appropriate follow-up actions are taken as necessary.

No external facilitator had been engaged by the Board for the purpose of the aforesaid performance evaluations.

Access to Information

The Directors have separate and unrestricted access to Management and Company Secretaries at all times in carrying out their duties *(Provision 1.7 of 2018 Code)*.

To enable the Board to fulfil its responsibilities, Management is required to provide the Directors with sufficient and complete information including information on financial performance of the Group prior to meetings and on an on-going 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 *(Provision 1.6 of 2018 Code)*.

Under the direction of the 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 board papers and relevant documents or materials which are prepared in consultation with the respective Chairmen are usually circulated before the holding of each Board and Board Committee meeting *(Provision 1.6 of 2018 Code)*. This allows control over the quality, quantity and timeliness of the flow of information between Management and the Board.

CORPORATE GOVERNANCE

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 *(Provision 1.7 of 2018 Code)*.

The Directors may seek independent professional advice to fulfil their duties and such cost will be borne by the Company *(Provision 1.7 of 2018 Code)*.

Remuneration Committee

As at the date of this report, the Remuneration Committee ("RC"), regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors, as follows *(Provisions 1.4, 6.1 and 6.2 of 2018 Code)*:

Chandra Mohan s/o Rethnam (Chairman)	–	Independent Non-Executive Director
Tan Poh Hong	–	Independent Non-Executive Director
Lee Wei Loon	–	Independent 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 6*

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

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 *(Provisions 1.4 and 6.1 of 2018 Code)*:

- 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 substantial shareholders of the Company, or who are immediate family members of a Director, the CEO or a substantial shareholder of the Company; 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 and termination terms (if any) to ensure they are fair *(Provision 6.3 of 2018 Code)*.

The RC has access to the Company's internal human resource department to assist in its review. The RC may 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 FY2019, the Company had engaged Korn Ferry Hay Group Pte Ltd, an external human resource ("HR") consulting firm, to conduct analysis and develop recommendations of Non-Executive Directors fee structure as well as remunerations for the Joint Chairmen and Executive Deputy Chairman. The RC and Board confirmed that the Company has no existing relationships with the external remuneration consultants and HR consulting firm that would affect their independence and objectivity *(Provision 6.4 of 2018 Code)*.

CORPORATE GOVERNANCE

The RC's recommendations are submitted for endorsement by the entire Board. Annual review of the compensation of Directors is also carried out by the RC to ensure that the remuneration of the Directors, CEO and key management personnel commensurate with their performance and value-add to the Group, giving due regard to the financial and commercial health, business needs and strategic objectives of the Group and long-term success of the Company *(Provision 7.1 of 2018 Code)*.

Each member of the RC or each Director abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC/Board in respect his/her own remuneration.

During FY2019, the RC held two (2) meetings to review the remuneration packages of the Executive Director, CEO and key management personnel (including senior management) of the Group and those employees related to the Directors and/or controlling shareholders of the Group, to discuss remuneration related matters and recommended to the Board the proposed quantum of Directors' fees for Executive and Non-Executive Directors, including Independent Non-Executive Directors and to review and make recommendation to the Board on the remuneration packages of the re-designated Executive Director, the new Deputy Chairman and Joint Chairmen including their terms of employment and the director's fee for the new Independent Non-Executive Director.

Level and Mix of Remuneration – *Principle 7*
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

The remuneration for the Executive Directors, CEO and key management personnel is based on the terms of their respective service contracts entered into with the Company, and comprises a fixed component (in the form of basic salary and annual wage supplement) plus a variable component in the form of annual performance bonus tied to individual performance as well as the Company's performance, taking into account the strategic objectives of the Company *(Provision 7.1 of 2018 Code)*.

Directors' fees payable to the Executive Directors and all the Non-Executive Directors, including Independent Directors, are set in accordance within a remuneration framework comprising a basic fee and a fixed fee taking into account factors, such as, their respective roles and responsibilities for serving on the Board and/or Board Committee(s) as well as their contribution, time and effort spent *(Provision 7.2 of 2018 Code)*. The RC ensures that the Non-Executive Directors should not be overly compensated to the extent that their independence may be compromised.

The Board is of the view that the current remuneration structure for the Executive Directors, CEO and key management personnel are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel (including CEO) to successfully manage the Company for the long term *(Provision 7.3 of 2018 Code)*.

The Board will table the Directors' fees in respect of FY2019 for shareholders' approval at the forthcoming AGM. Besides, the Board has accepted the recommendation of the RC and will also table Directors' fees for the financial year ending 31 December 2020, to be paid quarterly in arrears, at the forthcoming AGM for shareholders' approval. If approved, this will enable the Company to pay the Directors for their services rendered during the course of the financial year and facilitate Directors' compensation for services rendered in a more timely manner.

The existing service contracts for the Executive Directors, 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 Executive Directors, 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 Executive Directors, CEO and key management personnel.

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

CORPORATE GOVERNANCE

Disclosure on Remuneration – *Principle 8*
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

Directors' and CEO's Remuneration

As at the date of this report, Directors' fee structure for a financial year is as follows:

Board Member Fee (Base)	SGD43,000 for Non-Executive Director / SGD10,000 for Executive Director
Board Chairman Fee*	SGD43,000
Audit Committee Chairman Fee	SGD36,000
Audit Committee Member Fee	SGD18,000
RC Chairman Fee	SGD20,000
RC Member Fee	SGD10,000
NC Chairman Fee	SGD17,000
NC Member Fee	SGD8,500
Lead Independent Director Fee	SGD15,000

* *For the Joint Chairmen, each of them shall receive 50% of the Board Chairman Fee.*

Details of remuneration of the Directors and CEO (who is not Director) for FY2019 are set out below *(Provisions 8.1(a) and 8.3 of 2018 Code)*:

Name	Director's fees ($'000)	Salary ($'000)	Bonus ($'000)	Other Benefits ($'000)	Total ($'000)
Executive Directors					
Wong Kok Hoe[(1)]	85	69	43	10	207
Teo Peng Kwang	10	419	472	32	933
Non-Executive Directors					
Han Seng Juan[(2)]	46	–	–	–	46
Loh Kim Kang David[(2)]	46	–	–	–	46
Independent Non-Executive Directors					
Chandra Mohan s/o Rethnam	81	–	–	–	81
Gn Hiang Meng	103	–	–	–	103
Owi Kek Hean	78	–	–	–	78
Tan Poh Hong	61	–	–	–	61
Lee Wei Loon[(3)]	6	–	–	–	6
CEO (who is not Director)					
Kong Chee Min	–	467	369	25	861

Notes:

(1) Re-designated from Non-Executive Director to Executive Director and appointed Deputy Chairman of the Board on 13 November 2019. Ceased as Chairman of the Board and a member of the RC on 13 November 2019.

(2) Appointed Joint Chairmen of the Board on 13 November 2019.

(3) Appointed a Director and a member of the RC on 13 November 2019.

CORPORATE GOVERNANCE

Remuneration of Key Management Personnel

Given the confidentiality and commercial sensitivity attached to remuneration matters, the Board is of the view that the detailed and specific disclosure of remuneration of top key management personnel is not in the best interest of the Company. The remuneration of top key management personnel is, however, disclosed in the bands of S$250,000 with a breakdown showing the level and mix of remuneration in percentage terms. The Board is of the view that the information disclosed is sufficient for shareholders to have adequate understanding of the Company's remuneration policies and practice for key management personnel *(Provision 8.1(b) of 2018 Code)*.

The aggregate remuneration paid to the 7 key management personnel (who are not Directors or the CEO) for FY2019 was S$2,266,000. Breakdown (in percentage terms) of the remuneration paid to each of the 7 key management personnel (who are not Directors or the CEO) for FY2019 is set out below *(Provisions 8.1(b) and 8.3 of 2018 Code)*:

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$500,000 to below S$750,000				
Ho Lip Chin	67	31	2	100
S$250,000 to below S$500,000				
Foo Ai Huey	79	17	4	100
Leong Siew Fatt	64	28	8	100
Tony Bin Hee Din[(1)]	45	52	3	100
Below S$250,000				
Lee Geok Ing Janice	80	19	1	100
Lim Choon Kwang	82	16	2	100
Yeo Boon Hing David	80	6	14	100

Note:

(1) Resigned as Managing Director, Accommodation Business with effect from 1 July 2019.

Teo Peng Kwang (Executive Director and Chief Operating Officer, Accommodation Business) is a substantial shareholder of the Company. Tony Bin Hee Din (Managing Director, Accommodation Business), who has resigned with effect from 1 July 2019, and Anthony Craig Bolger (Associate Director, Investments) are brothers-in-law of Loh Kim Kang David (Non-Executive Director, Joint Chairman and a controlling shareholder). Save as disclosed above, there was no employee of the Group who was a substantial shareholder of the Company, or who was an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose annual remuneration exceeded S$100,000 during the year under review. For FY2019, Anthony Craig Bolger received a remuneration (comprising basic salary and annual bonus) of exceeding S$150,000 but below S$250,000 *(Provision 8.2 of 2018 Code)*.

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

Save as disclosed above, there are no remuneration and other payments and benefits paid by the Company's subsidiaries to Directors and key management personnel of the Company *(Provision 8.3 of 2018 Code)*.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls – *Principle 9*
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

Accountability

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, half-year and full-year financial results announcements.

Risk Management and Internal Controls *(Provision 9.1 of 2018 Code)*

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 systems 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 has an oversight role in the design, implementation and monitoring of the risk management and internal controls systems. 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 *(Provision 9.1 of 2018 Code)*:

- 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 managing 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.

CORPORATE GOVERNANCE

For FY2019, 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 controls (including the financial, operational, compliance and information technology controls) systems for FY2019. 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 controls (including financial, operational, compliance and information technology controls) systems were adequate and effectively managed *(Provision 10.1(b) of 2018 Code)*.

In respect of FY2019, the Board has obtained the following assurance *(Provision 9.2 of 2018 Code)*:

(a) a written confirmation from the CEO and CFO that the financial records have been properly maintained and the financial statements of the Company for FY2019 give a true and fair view of the Group's operations and finances; and

(b) a written confirmation from the Executive Directors, CEO, CFO and relevant key management personnel that the Company's risk management and internal controls (including financial, operational, compliance and information technology controls) systems are adequate and effective.

The CEO and CFO have obtained similar assurance from the business and corporate executive heads in the Group.

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 and information technology controls) and risk management systems, 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, reviews performed by Management and the above-mentioned assurances from senior management and relevant key management personnel, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls (including financial, operational, compliance and information technology controls) systems were adequate and effective for FY2019 *(Provision 10.1(b) of 2018 Code)*. No material weaknesses of internal controls and risk management systems were identified in respect of FY2019.

Audit Committee – *Principle 10*
The Board has an Audit Committee which discharges its duties objectively

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 *(Provisions 1.4 and 10.2 of 2018 Code)*:

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

CORPORATE GOVERNANCE

None of the members nor the Chairman of the AC are former partners or Directors of the Group's existing auditing firm *(Provision 10.3 of 2018 Code)*.

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 *(Provision 10.2 of 2018 Code)*.

During the year under review, the AC members have attended meetings and discussions, organised by Management, with the external auditors, the internal auditors and the Company Secretary(ies) 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 *(Provisions 1.4 and 10.1 of 2018 Code)*.

The AC also performs the following key functions *(Provisions 1.4 and 10.1 of 2018 Code)*:

- reviews the audit scope, approach and results of the internal and 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, effectiveness and independence of the external audit and internal audit function;
- determines that no restrictions are being placed by Management upon the work of the internal and external auditors;
- evaluates the adequacy and effectiveness of the internal controls and risk management systems of the Company 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/half-year and full-year financial statements of the Company and the Group before submission to the Board for approval;
- reviews the assurance from the CEO and CFO on the financial records and financial statements;
- 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;

CORPORATE GOVERNANCE

- reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- 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, including their remuneration; 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 provide 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 *(Provision 10.5 of 2018 Code)*.

The Company has adopted a whistle-blowing programme ("WB 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 *(Provision 10.1(f) of 2018 Code)*. The WB 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 the WB Policy have been disseminated and made available to all employees of the Group. To facilitate participation by the external parties, the WB Policy is also available on the Company's website at www.centurioncorp.com.sg.

During the year, the AC held four (4) meetings to review the following, amongst other things:

– quarterly, half-year and annual financial results and reports;

– internal and external auditors' plans and reports;

– adequacy and effectiveness of the risk management and internal control systems and internal audit function;

– re-appointment of external auditors and engagement of non-audit services (including non-audit fees) and relevant scope of works; and

– interested person transactions and reports made pursuant to the WB Policy (including appropriate follow-up actions taken) *(Provision 10.1 of 2018 Code)*.

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

The AC assesses the independence of the external auditors, PricewaterhouseCoopers LLP, annually *(Provision 10.1(e) of 2018 Code)*. 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 FY2019 does not affect their independence.

CORPORATE GOVERNANCE

The aggregate amount of fees paid/payable to the external auditors for FY2019 are as follows:

	S$'000
Audit fees paid/payable by the Company and its subsidiaries[2]	488
Non-audit fees[1] paid/payable by the Company and its subsidiaries[2]	739
Total fees	1,227

Notes:

(1) Included in the non-audit fees are mainly tax advisory and compliance fees.

(2) Includes the network of member firms of PricewaterhouseCoopers ("PWC") International Limited ("PWCIL").

The AC has reviewed and confirmed that the Company has complied with Rules 712, 715 and 716 of the Listing Manual of the 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 *(Provision 10.1(d) of 2018 Code)*. Accordingly, the Company has complied with Rule 712 of the Listing Manual of the SGX-ST and Rule 13.88 of the HK Listing Rules.

Internal Audit

The Company has out-sourced its internal audit function to BDO LLP ("BDO") *(Provision 10.4 of 2018 Code)*. 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, documents, information, records and personnel 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 auditor, 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 decides on the appointment, termination and remuneration of the internal auditor.

The AC is satisfied that the internal auditor is independent, effective and has the necessary resources to adequately perform its functions *(Provision 10.1(e) of 2018 Code)*.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings – *Principle 11*

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

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. According to the Company's Constitution, 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. In the case of any General Meeting at which a special business is to be transacted, the Notice of General Meeting will specify the general nature of such business, and if any resolution is to be proposed as a special resolution, the Notice of General Meeting will contain a statement to that effect *(Provisions 11.1 and 12.1 of 2018 Code)*.

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 two (2) months after the receipt by the company of the requisition.

Besides, according to Section 177 of the Companies Act, two (2) 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/or feedback about the Company to the Board in writing through our Investor Relations Contact, details are as follows *(Provision 12.3 of 2018 Code)*:

DAVID PHEY
Head of Corporate Communications
Tel: +65 6745 3288
Email: david.phey@centurioncorp.com.sg

GEORGE GOH
Investor Relations Manager
Tel: +65 6745 3288
Email: george.goh@centurioncorp.com.sg

CORPORATE GOVERNANCE

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

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 *(Provision 12.1 of 2018 Code)*:

- Annual Report and Notice of the AGM prepared and issued to all shareholders within the mandatory period;
- Financial statements/results 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.

In respect of proposing a person for election as a director of the Company at general meetings, please refer to the procedures available on the Company's website through this link:

https://centurion.listedcompany.com/newsroom/Centurion_Corporation_Limited-Nomination_Procedures_for_Directors_English.pdf

As announced by the Company on 26 February 2020, pursuant to Rule 705(2) of the SGX-ST Listing Manual, the Board has decided not to continue with the quarterly reporting and instead the Company will announce the financial results on a half-yearly basis. The Company will, however, provide relevant operating information and updates on a quarterly basis via publication/announcement on the websites of the Company, SGX-ST and SEHK.

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 *(Provision 12.1 of 2018 Code).*

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 *(Provision 12.2 of 2018 Code)*.

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. Since the second quarter of FY2015, the Company has paid dividend on a half-yearly basis *(Provision 11.6 of 2018 Code)*.

CORPORATE GOVERNANCE

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 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 FY2019 to S$0.02 per ordinary share.

Conduct of Shareholder Meetings

The Company encourages shareholder participation at General Meetings of shareholders *(Provision 11.1 of 2018 Code)*.

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:

(a) a shareholder who is not a relevant intermediary or a clearing house (or its nominee(s)) to appoint not more than two (2) proxies to attend, speak and vote at the AGM and other General Meetings; and

(b) a shareholder who is a relevant intermediary or a clearing house (or its nominee(s)) to appoint more than two (2) proxies to attend, speak and vote at the AGM and other General Meetings.

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. Currently, 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. However, under the provisions of the Company's Constitution, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders who are unable to vote in person at any General Meeting the option to vote in absentia *(Provision 11.4 of 2018 Code)*.

Issues seeking approval of shareholders are usually tabled as separate resolutions at AGM and General Meetings. Each item of special business included in the notice of the meeting will be accompanied by an explanation of the effects of a proposed resolution *(Provision 11.2 of 2018 Code)*. 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, 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. Beginning from 2019 AGM, the minutes of AGM, which include a summary of substantial and relevant comments or queries from shareholders and responses from the Board and Management, are available on the Company's website *(Provision 11.5 of 2018 Code)*.

All Directors are expected to attend AGMs and other General Meetings held by the Company. For the last AGM held in April 2019, Directors' attendance can be found on page 74 of this report. Besides Directors, senior management and external auditors are present at AGMs and other General Meetings, if any, to address queries from the shareholders *(Provision 11.3 of 2018 Code)*.

Engagement with Stakeholders – *Principle 13*

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

The Board recognises the interests of the Company's internal and external stakeholders are essential as part of value creation for the Group. Please refer to the section on "Stakeholder Engagement" on pages 54 to 55 for more information on how the Company engages and manages relationships with stakeholders *(Provisions 13.1 and 13.2 of 2018 Code)*.

The Company maintains a corporate website at www.centurioncorp.com.sg to communicate and engage with its stakeholders *(Provision 13.3 of 2018 Code)*.

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested person 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 FY2019 is as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000)
Various associates of Controlling Shareholders Please see Note (i) for further details	Associates of Controlling Shareholders of the Company	S$1,289,033
Teo Peng Kwang Please see Note (ii) for further details	Executive Director of the Company	S$131,246

Notes:

(i) 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:

- 02.01.2019: Cost Sharing Reimbursement Agreement to Centurion Properties Pte Ltd — S$88,213
- 01.08.2018: Media Advertisement Services provided by Weekender Group Pte Ltd — S$6,000
- 01.02.2019: Interest paid to Mr Loh Kim Kang David in respect of an aggregate principal amount of S$1,000,000 of fixed rate notes due 2022 issued by the Company under its S$750,000,000 multicurrency debt issuance programme on 1 February 2019 held by Mr Loh Kim Kang David, at the interest rate of 5.5% per annum — S$50,328
- 21.10.2019: Purchase of Wine from Centurion Wine Collections (Singapore) Pte Ltd — S$1,200
- 23.07.2019: CSL Student Living Benikea KP Ltd ("CSL Benikea") – Shareholder loan with interest rate of 5% per annum from Centurion Overseas Investments Pte Ltd to CSL Benikea — S$1,083,271
- 21.02.2019: CSL Benikea – Management fee charged by Dwell Student Living Korea Ltd to CSL Benikea — S$60,021

(ii) Interest paid to Mr Teo Peng Kwang in respect of an aggregate principal amount of S$3,000,000 of fixed rate notes due 2022 issued by the Company under its S$750,000,000 multicurrency debt issuance programme on 1 February 2019 held by Mr Teo Peng Kwang, at the interest rate of 5.5% per annum.

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

CORPORATE GOVERNANCE

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.

During the financial year under review, 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:

(a) 30 days immediately preceding the publication date of the announcement of the Company's quarterly results or half year results of a 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

(b) 60 days immediately preceding the publication date of the announcement of the Company's full-year results or, if shorter, the period from the end of a financial year and up to the publication date of the results.

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 FY2019. 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 FY2019.

CORPORATE GOVERNANCE FUNCTIONS

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 FY2019, there was no change in the Constitution of the Company. The 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 FY2019.

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 107 to 110.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 and the balance sheet of the Company as at 31 December 2019.

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 111 to 215 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 2019 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, associated companies and a joint venture are set out in Notes 21, 19 and 20 to the consolidated financial statements, respectively.

OPERATIONS AND FINANCIAL REVIEW

Details of the operations review, the financial review and the market outlook of the Group are set out in the annual report under section entitled "Operations Review" on pages 38 to 40 of the annual report, the section entitled "Financial Review" on pages 32 to 34 of the annual report and the section entitled "Market Outlook" on pages 41 to 43 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 216 of the annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated financial statements on pages 111 to 112 of the annual report.

An interim dividend of 1.0 Singapore cent (2018: 1.0 Singapore cent) per ordinary share amounting to S$8,408,000 (2018: S$8,408,000) has been paid during the financial year.

The directors have recommended a final dividend of 1.0 Singapore cent (2018: 1.0 Singapore cent) per ordinary share amounting to a total of S$8,408,000 (2018: S$8,408,000) for the financial year ended 31 December 2019, subject to approval by shareholders of the Company at the forthcoming Annual General Meeting.

PRINCIPAL PROPERTIES

Details of the principal properties held for sale and for investment purposes are set out in Notes 17 and 22 to the consolidated financial statements, respectively.

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 23 to the consolidated financial statements.

DEBENTURES ISSUED

Details of the debentures issued by the Company are set out in Note 28(b) to the consolidated financial statements.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2019 are set out in Note 28 to the consolidated financial statements.

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 33 to the consolidated financial statements. There were no movements in the Company's issued share capital during the year and the Company does not hold any treasury shares.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, redemption or sale of listed securities of the Company during the financial year ended 31 December 2019.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Constitution or the laws of the Republic of Singapore applicable to Singapore companies generally which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the retained profits of the Group are distributable except for the accumulated retained profits of associated companies and a joint venture amounting to S$71,274,000 (2018: S$78,657,000) which are included in the Group's retained profits.

Movement in the distributable reserves of the Company at 31 December 2019 are set out in Note 35 to the consolidated 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.

DONATIONS

Charitable and other donations made by the Group during the year amounted to S$228,000 (2018: S$279,000).

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' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

DIRECTORS

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

Non-Executive Directors
Han Seng Juan (appointed as Joint Chairman on 13 November 2019)
Loh Kim Kang David (appointed as Joint Chairman on 13 November 2019)

Executive Directors
Wong Kok Hoe (re-designated from Non-Executive Director to Executive Director and appointed as Deputy Chairman, and ceased as Chairman on 13 November 2019)
Teo Peng Kwang

Independent Non-Executive Directors
Gn Hiang Meng (Lead Independent Director)
Chandra Mohan s/o Rethnam
Lee Wei Loon (appointed on 13 November 2019)
Owi Kek Hean
Tan Poh Hong

INDEPENDENCE CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 210(5)(d) of the Listing Manual of SGX-ST, 2018 Code and Rule 3.13 of the HK 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 Company are set out in the annual report under the section entitled "Board of Directors" on pages 8 to 12 and section entitled "Senior Management" on pages 13 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 by the shareholders of the Company at the Annual General Meeting each year.

The remuneration and other emoluments are determined by the Board, at the recommendation of the Remuneration Committee, with reference to the duties, responsibilities and performance of the Directors and the results of the Group, as appropriate. Details of the remuneration of the Directors are set out in Note 9(b) to the consolidated financial statements.

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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

SHARE OPTIONS

The Company has no share option scheme as at the date of this annual 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 CORPORATIONS

Under Section 164 of the Companies Act (Cap 50) of Singapore

(a) According to the register of directors' shareholdings, none of the directors and CEO 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 31.12.2019	At 1.1.2019 or date of appointment, if later	At 31.12.2019	At 1.1.2019 or date of appointment, if later
Centurion Corporation Limited				
(No. of ordinary shares)				
Gn Hiang Meng	**–**	–	**247,500**	247,500
Loh Kim Kang David[(i)]	**33,536,950**	29,485,150	**445,956,126**	445,956,126
Han Seng Juan	**29,727,300**	27,674,500	**453,703,626**	453,703,626
Teo Peng Kwang[(ii)]	**63,723,330**	63,723,330	**–**	–
Kong Chee Min (CEO)[(iii)]	**172,905**	172,905	**–**	–
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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Notes:

(i) As at 31 December 2019, Loh Kim Kang David also has a direct interest in the Fixed Rate Notes due 2022 issued by the Company on 1 February 2019 for an aggregate principal amount of S$1,000,000 (as at 1 January 2019: Nil).

(ii) As at 31 December 2019, Teo Peng Kwang also has a direct interest in the Fixed Rate Notes due 2022 issued by the Company on 1 February 2019 for an aggregate principal amount of S$3,000,000 (as at 1 January 2019: Direct interest in fixed rate notes due 2020 issued by the Company for an aggregate principal amount of S$2,000,000, which was disposed of in February 2019 pursuant to an exchange offer exercise).

(iii) As at 31 December 2019, Kong Chee Min also has a direct interest in the Fixed Rate Notes due 2022 issued by the Company on 1 February 2019 for an aggregate principal amount of S$1,000,000 (as at 1 January 2019: Direct interest in fixed rate notes due 2020 issued by the Company for an aggregate principal amount of S$500,000, which was disposed of in February 2019 pursuant to an exchange offer exercise).

(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 directors' and CEO's interests in the ordinary shares of the Company (the "Shares") as at 21 January 2020 were the same as those as at 31 December 2019.

Under Section 352 of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) ("SFO")

As at 31 December 2019, the interests and short positions of the Directors and CEO 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 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 (the "Model Code") set out in Appendix 10 of the HK Listing Rules, are as follows:

Long positions in the Shares and underlying shares of the Company

	Direct interest			Deemed interest			Total interest	
	Capacity/ Nature of interest	No. of Shares	%(2)	Capacity/ Nature of interest	No. of Shares	%(2)	No. of Shares	%(2)
Loh Kim Kang David(i)	Beneficial owner	33,536,950(L)(4)	3.99	Interest of controlled corporation	445,756,126(L)(3)	53.02	479,493,076(L)(10)	57.03
				Interest of spouse	200,000(L)(5)	0.02		
Han Seng Juan	Beneficial owner	29,727,300(L)(7)	3.54	Interest of controlled corporation	445,756,126(L)(6)	53.02	483,430,926(L)(11)	57.50
				Interest of spouse	7,947,500(L)(8)	0.94		
Gn Hiang Meng	–	–	–	Interest of spouse	247,500(L)(9)	0.03	247,500(L)	0.03
Teo Peng Kwang(ii)	Beneficial owner	63,723,330(L)(12)	7.58	–	–	–	63,723,330(L)	7.58
Kong Chee Min (CEO)(iii)	Beneficial owner	172,905(L)	0.02	–	–	–	172,905(L)	0.02

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Notes:

(1) The letter "L" denotes the person's long position in the relevant Shares.

(2) Based on 840,778,624 issued Shares as at 31 December 2019.

(3) Mr Loh holds a 50% shareholding interest in Centurion Global Ltd ("Centurion Global"). Centurion Properties Pte Ltd ("Centurion Properties") is a wholly-owned subsidiary of Centurion Global. Mr Loh is, therefore, deemed to be interested in 445,756,126 Shares held by Centurion Properties.

(4) Of 33,536,950 Shares held by Mr Loh, 13,216,750 Shares are registered in the name of UOB Kay Hian Private Limited, 1,500,000 Shares are registered in the name of Raffles Nominees (Pte.) Limited, 14,624,000 Shares are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd, 2,936,000 Shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited, 409,000 Shares are registered in the name of UOB Kay Hian (Hong Kong) Limited and 851,200 Shares are registered in his own name.

(5) Mr Loh also has a deemed interest in 200,000 Shares held by his spouse, Wong Wan Pei.

(6) Han Seng Juan ("Mr Han") holds a 50% shareholding interest in Centurion Global. Mr Han is, therefore, deemed to be interested in 445,756,126 Shares held by Centurion Properties, a wholly-owned subsidiary of Centurion Global.

(7) Of the 29,727,300 Shares held by Mr Han, 5,898,400 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, 3,239,000 Shares are registered in the name of Kim Eng Securities (Hong Kong) Limited, 9,026,000 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, 2,673,000 Shares are registered in the name of UOB Kay Hian (Hong Kong) Limited, 3,063,500 Shares are registered in the name of Maybank Kim Eng Securities Pte Ltd and 4,739,600 Shares are registered in his own name.

(8) Mr Han also has a deemed interest in 7,947,500 Shares held by his spouse, Kang Lee Cheng Susanna.

(9) Gn Hiang Meng has a deemed interest in 247,500 Shares held by his spouse, Loo Bee Hoon.

(10) Of these Shares, 31,185,750 Shares held by Mr Loh and 445,000,000 Shares held by Centurion Properties as his deemed interest have been pledged to independent third party financial institution(s).

(11) Of these Shares, 11,248,000 Shares held by Mr Han and 445,000,000 Shares held by Centurion Properties as his deemed interest have been pledged to independent third party financial institution(s).

(12) 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 Deutsche Bank and 96,250 Shares are registered in the name of United Overseas Bank Nominees Pte Ltd.

Interest in debentures of the Company

*S$60,000,000 aggregate principal amount of its Fixed Rate Notes Due 2022 ("**2022 Fixed Rate Notes**")*

	Nature of interest	Principal amount of the 2022 Fixed Rate Notes held	Approximate percentage of the interest in the 2022 Fixed Rate Notes
Loh Kim Kang David	Beneficial owner	S$1,000,000	1.67%
Teo Peng Kwang	Beneficial owner	S$3,000,000	5.00%
Kong Chee Min	Beneficial owner	S$1,000,000	1.67%

Note:

(1) The percentage of the interest in the 2022 Fixed Rate Notes is based on the aggregate principal amount of S$60,000,000.

Save as disclosed above, as at 31 December 2019, 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 corporations (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 had taken or deemed to have under such provisions 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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

SUBSTANTIAL SHAREHOLDERS' (OTHER THAN A DIRECTOR OR CHIEF EXECUTIVE OF THE COMPANY) INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, as far as the Directors are aware, the persons or entities (other than a director or chief executive of the Company) 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 Divisions 2 and 3 of Part XV of the 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 Shares

	Direct interest		Deemed interest		Total interest	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[1]
Centurion Properties Pte Ltd[2]	445,756,126	53.02	–	–	445,756,126	53.02
Centurion Global Ltd[3]	–	–	445,756,126	53.02	445,756,126	53.02

Notes:

(1) Based on 840,778,624 issued Shares as at 31 December 2019.

(2) Of the 445,756,126 Shares held by Centurion Properties, 310,000,000 Shares are registered in the name of DB Nominees (Singapore) Pte Ltd, 135,000,000 Shares are registered in the name of UOB Kay Hian Private Limited and 756,126 Shares are registered in its own name.

(3) Centurion Properties is a wholly-owned subsidiary of Centurion Global. Centurion Global is, therefore, deemed to be interested in 445,756,126 Shares held by Centurion Properties. Centurion Global is owned equally by Mr Loh and Mr Han, both of which are non-executive Directors and Joint Chairmen.

Save as disclosed above, as at 31 December 2019, there is no person or entity (other than a director or chief executive of the Company) which has an interest or short position in the Shares and underlying shares of the Company which have been disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Other than those disclosed above and under "Interested Person Transactions"on page 95 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, either direct or indirect, 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 recognises 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 entitled "Sustainability Report" in this annual report.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

CONNECTED TRANSACTIONS

Details of the connected transactions are set out on page 95 under "Interested Person Transactions" in the section entitled "Corporate Governance". During the year ended 31 December 2019, the Group had not entered into any connected transaction or continuing connected transactions that are not exempted under Chapter 14A of the HK 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 compiled 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.

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 during the year ended 31 December 2019 and up to the date of this annual report as required by the Listing Manual of the SGX-ST and HK Listing Rules.

Details of the shareholdings in public hands are set out on page 218 under "Percentage of Shareholding in Public's Hands" in the section entitled "Statistics of Shareholdings".

PERMITTED INDEMNITY PROVISIONS

Under the Constitution of the Company, 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 2019.

Details of the related party transactions are set out in Note 39 to the consolidated financial statements. Except as disclosed above, none of the related party transactions constitute a connected transactions or continuing connected transaction under the HK Listing Rules.

CORPORATE GOVERNANCE

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2019, none of the directors and directors of the Company's subsidiaries, or their respective associates had interests in businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, which compete or are likely to compete, either directly or indirectly with the business of the Company and its subsidiaries as required to be disclosed pursuant to the HK Listing Rules.

CHANGES OF INFORMATION OF DIRECTORS

Changes of information of Directors which is required to be disclosed pursuant to Rule 13.51B (1) of the HK Listing Rules since the date of the 2019 Interim Report are set out below:

(a) Ms. Tan Poh Hong has been appointed as a director of Jilin Food Zone Pte Ltd since 1 October 2019.

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. 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 2019 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. There is no change in the Company's auditors in the preceding three years.

On behalf of the directors

Wong Kok Hoe Director	Loh Kim Kang David Director

17 March 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE AUDIT OF THE 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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2019 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.

Separate opinion in relation to International Financial Reporting Standards

As explained in Note 2.1 to the financial statements, the Group and the Company, in addition to applying SFRS(I)s, have also applied International Financial Reporting Standards ("IFRSs"). In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows for the financial year then ended in accordance with IFRSs.

What we have audited

The financial statements of the Group and the Company comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2019;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2019;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

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 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>Valuation of investment properties</u> As at 31 December 2019, the carrying value of the Group's investment properties of $1,275,879,000 accounted for 86% of the Group's total assets (Note 22). In addition, the investment properties held by the Group's associated companies and joint venture affect the carrying value of the Group's investment in associated companies and joint venture (Note 19 and Note 20). 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, market value of comparable property and capitalisation rate and are dependent on the nature of each investment property and the prevailing market conditions. The key estimates and assumptions are disclosed in Note 3 and Note 22 to the accompanying financial statements respectively.	Our procedures included the following: • 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, market value of comparable property and capitalisation rate by benchmarking these against those of comparable properties and prior year inputs. 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. 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s 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 judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

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

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

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

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

We communicate with 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 Chua Chin San.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 17 March 2020

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Revenue	4	**133,353**	120,070
Cost of sales	5	**(36,417)**	(33,749)
Gross profit		**96,936**	86,321
Other income	6	**1,137**	1,137
Other (losses)/gains – net	7	**(110)**	86
Net fair value gains on investment properties and assets held for sale	17, 22	**66,266**	48,553
Expenses			
– Distribution expenses	5	**(1,462)**	(1,143)
– Administrative expenses	5	**(23,796)**	(21,010)
– Finance expenses	8	**(28,759)**	(23,929)
Share of profit of associated companies and joint venture	19, 20	**789**	6,571
Profit before income tax		**111,001**	96,586
Income tax expense	10(a)	**(7,213)**	(12,435)
Total profit		**103,788**	84,151
Profit attributable to:			
Equity holders of the Company		**99,951**	79,326
Non-controlling interests		**3,837**	4,825
		103,788	84,151
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	11(a)	**11.89**	9.43
Diluted earnings per share	11(b)	**11.89**	9.43

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

CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Total profit		**103,788**	84,151
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI – debt instruments			
– Fair value gains/(losses)	34(b)(i)	**386**	(633)
– Reclassification	34(b)(i)	**171**	12
Cash flow hedges			
– Fair value losses	34(b)(ii)	**(1,782)**	–
– Reclassification	34(b)(ii)	**144**	–
Share of other comprehensive (loss)/income of associated companies and joint venture	19,20	**(602)**	772
Currency translation gains/(losses) arising from consolidation		**3,288**	(14,070)
Other comprehensive income/(loss), net of tax		**1,605**	(13,919)
Total comprehensive income		**105,393**	70,232
Total comprehensive income attributable to:			
Equity holders of the Company		**101,557**	65,407
Non-controlling interests		**3,836**	4,825
		105,393	70,232

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

BALANCE SHEETS

AS AT 31 DECEMBER 2019

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
ASSETS					
Current assets					
Cash and bank balances	12	**48,588**	62,902	**14,903**	34,081
Trade and other receivables	13	**8,060**	11,972	**21,229**	29,610
Inventories	14	**44**	88	**–**	–
Other assets	15	**6,748**	4,120	**236**	325
Financial assets, at fair value through other comprehensive income	16	**9,165**	9,322	**9,165**	9,322
		72,605	88,404	**45,533**	73,338
Assets held for sale	17	**5,447**	5,586	**–**	–
		78,052	93,990	**45,533**	73,338
Non-current assets					
Trade and other receivables	13	**–**	–	**372,329**	358,853
Other assets	15	**994**	598	**130**	–
Financial assets, at fair value through profit or loss	18	**156**	383	**–**	–
Investments in associated companies	19	**108,918**	116,699	**1,298**	1,298
Investment in a joint venture	20	**4,819**	4,604	**–**	–
Investments in subsidiaries	21	**–**	–	**16,645**	16,703
Investment properties	22	**1,275,879**	1,097,191	**–**	–
Property, plant and equipment	23	**10,149**	8,275	**1,631**	745
		1,400,915	1,227,750	**392,033**	377,599
Total assets		**1,478,967**	1,321,740	**437,566**	450,937
LIABILITIES					
Current liabilities					
Trade and other payables	26	**40,496**	41,901	**11,655**	15,366
Current income tax liabilities	10	**7,092**	8,018	**896**	895
Borrowings	28	**55,780**	42,994	**6,280**	2,189
Lease liabilities	29	**6,738**	–	**478**	–
		110,106	92,913	**19,309**	18,450
Non-current liabilities					
Derivative financial instruments	31	**1,638**	–	**276**	–
Other liabilities	27	**131**	356	**–**	–
Deferred income tax liabilities	32	**9,796**	8,117	**81**	87
Borrowings	28	**683,259**	695,403	**135,428**	161,462
Lease liabilities	29	**60,172**	–	**921**	–
		754,996	703,876	**136,706**	161,549
Total liabilities		**865,102**	796,789	**156,015**	179,999
NET ASSETS		**613,865**	524,951	**281,551**	270,938
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	33	**142,242**	142,242	**253,553**	253,553
Other reserves	34	**(31,132)**	(32,536)	**(425)**	(557)
Retained profits	35	**481,081**	397,609	**28,423**	17,942
		592,191	507,315	**281,551**	270,938
Non-controlling interests		**21,674**	17,636	**–**	–
Total equity		**613,865**	524,951	**281,551**	270,938

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Attributable to equity holders of the Company					
		Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2019							
End of preceding financial year		142,242	(32,536)	397,609	507,315	17,636	524,951
Adoption of IFRS 16	2.3	–	–	337	337	–	337
Beginning of financial year		142,242	(32,536)	397,946	507,652	17,636	525,288
Profit for the year		–	–	99,951	99,951	3,837	103,788
Other comprehensive income/(loss) for the year		–	1,606	–	1,606	(1)	1,605
Total comprehensive income for the year		–	1,606	99,951	101,557	3,836	105,393
Dividends relating to 2018 paid	36	–	–	(8,408)	(8,408)	–	(8,408)
Dividends relating to 2019 paid	36	–	–	(8,408)	(8,408)	–	(8,408)
Acquisition of additional shares in a subsidiary from non-controlling interest	21(f)	–	(202)	–	(202)	202	–
Total transactions with owners, recognised directly in equity		–	(202)	(16,816)	(17,018)	202	(16,816)
End of financial year		**142,242**	**(31,132)**	**481,081**	**592,191**	**21,674**	**613,865**
2018							
Beginning of financial year		142,242	(18,617)	339,302	462,927	12,806	475,733
Profit for the year		–	–	79,326	79,326	4,825	84,151
Other comprehensive loss for the year		–	(13,919)	–	(13,919)	–	(13,919)
Total comprehensive (loss)/income for the year		–	(13,919)	79,326	65,407	4,825	70,232
Dividends relating to 2017 paid	36	–	–	(12,611)	(12,611)	–	(12,611)
Dividends relating to 2018 paid	36	–	–	(8,408)	(8,408)	–	(8,408)
Acquisition of a subsidiary		–	–	–	–	5	5
Total transactions with owners, recognised directly in equity		–	–	(21,019)	(21,019)	5	(21,014)
End of financial year		**142,242**	**(32,536)**	**397,609**	**507,315**	**17,636**	**524,951**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Total profit		**103,788**	84,151
Adjustments for:			
– Income tax expense		**7,213**	12,435
– Depreciation		**3,113**	3,086
– Allowance for impairment of trade and other receivables		**177**	72
– Net loss/(gain) on disposal of plant and equipment		**68**	(5)
– Gain on disposal of a subsidiary		**(142)**	–
– Net fair value gains on investment properties and assets held for sale		**(66,266)**	(48,553)
– Interest income		**(1,137)**	(1,046)
– Dividend income		**–**	(73)
– Finance expenses		**28,759**	23,929
– Share of profit of associated companies and joint venture		**(789)**	(6,571)
– Loss on disposal of financial assets, at FVOCI		**171**	12
– Fair value loss/(gain) on financial assets at fair value through profit or loss		**230**	(164)
– Unrealised currency translation differences		**167**	178
Operating cash flow before working capital changes		**75,352**	67,451
Change in working capital			
– Inventories		**43**	(4)
– Trade and other receivables		**3,538**	1,869
– Other assets		**(124)**	(285)
– Trade and other payables		**(1,523)**	(1,661)
Cash generated from operations		**77,286**	67,370
Income tax paid		**(7,039)**	(9,895)
Net cash provided by operating activities		**70,247**	57,475
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**101**	84
Additions to investment properties		**(37,208)**	(119,415)
Purchases of property, plant and equipment		**(3,693)**	(2,489)
Interest received		**1,207**	1,059
Dividends received		**–**	73
Dividends received from associated companies		**7,817**	5,245
Short-term bank deposits (charged)/released as security to bank		**(289)**	1,068
Deposits paid for acquisition of investment property		**(2,219)**	–
Other deposits refunded		**–**	1,561
Acquisition of shares in an associated company and a joint venture		**–**	(6,323)
Proceeds from disposal of financial assets, at FVOCI		**500**	2,000
Net cash used in investing activities		**(33,784)**	(117,137)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from financing activities			
Proceeds from borrowings		**78,917**	213,052
Loan from non-controlling interests		**628**	147
Repayment of loan from associated company		**(861)**	(3,446)
Repayment of borrowings		**(81,755)**	(115,121)
Interest paid on borrowings		**(26,202)**	(25,249)
Interest paid on lease liabilities		**(1,609)**	–
Repayment of principal portion of lease liabilities		**(4,322)**	–
Dividends paid to equity holders of the company		**(16,816)**	(21,019)
Net cash (used in)/provided by financing activities		**(52,020)**	48,364
Net decrease in cash and cash equivalents held		**(15,557)**	(11,298)
Cash and cash equivalents			
Beginning of financial year		**61,358**	73,191
Effects of currency translation on cash and cash equivalents		**577**	(535)
End of financial year	12	**46,378**	61,358

Please refer to reconciliation of liabilities arising from financing activities in Note 12.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 dual listed on both the Main Board of the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong. 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, associated companies and joint venture are set out in Notes 21, 19 and 20 respectively.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS"). All references to SFRS(I) and IFRS are referred to collectively as "IFRS" in these financial statements, unless specified otherwise. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

As at 31 December 2019, the Group is in a net current liability position of $32,054,000. These financial statements are prepared on a going concern basis as the Group expects to generate sufficient operating cash flows to enable the Group to pay its debts as and when they fall due within the next twelve months from balance sheet date. In addition, the Group has unutilised committed credit facilities of $109,544,000 available for meeting any short-term liabilities and unanticipated fund requirements, if needed.

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.

Interpretations and amendments to published standards effective in 2019

On 1 January 2019, 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 FRS.

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 as disclosed in Note 2.3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Impact of standards issued but not yet effective

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
IFRS 3	Amendments to IFRS 3 *Business Combination*	1 January 2020
IAS 1 and IAS 8	Amendments to IAS 1 And IAS 8: Definition of Material	1 January 2020
IFRS 9 and IFRS 7	Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	1 January 2020
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2022

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

2.3 Adoption of IFRS 16 *Leases*

(a) When the Group is the lessee

Prior to the adoption of IFRS 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of IFRS 16 is as disclosed in Note 2.20.

On initial application of IFRS 16, the Group has elected to apply the following practical expedients:

(i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, the Group has not reassessed if such contracts contain leases under IFRS 16; and

(ii) On a lease-by-lease basis, the Group has

(a) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
(b) accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
(c) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
(d) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Adoption of IFRS 16 *Leases* (Continued)

(a) When the Group is the lessee (Continued)

For leases previously classified as operating leases on 1 January 2019, the Group has applied the following transition provisions:

(i) On a lease-by-lease basis, the Group chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount equal to its lease liabilities at 1 January 2019. For ROU assets which meet the definition of an investment property, the Group had measured the ROU assets at their fair values at 1 January 2019.

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease.

(iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 January 2019 is adjusted directly to opening retained profits. Comparative information is not restated.

(iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 January 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

(b) When the Group is a lessor

There are no material changes to accounting by the Group as a lessor except when the Group is an intermediate lessor (Note 2.3(c)).

(c) When the Group is the intermediate lessor

The Group leases an underlying asset under a head lease arrangement and subleases the same asset to third parties as an intermediate lessor. Prior to the adoption of IFRS 16, the sublease is classified as an operating lease when the head lease is an operating lease. The intermediate lessor recorded rental income in respect of the sublease on a straight-line basis over the term of the sublease and recorded rental expense in respect of the head lease on a straight-line basis over the term of the head lease.

Under IFRS 16, accounting by the Group as an intermediate lessor depends on the classification of the sublease with reference to the ROU asset arising from the head lease rather than the underlying asset.

On 1 January 2019, the Group has reassessed the classification of the sublease based on the remaining contractual terms and condition of the head lease. Based on this assessment, there is no impact to the financial statements.

The accounting policy for subleases are disclosed in Note 2.20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Adoption of IFRS 16 *Leases* (Continued)

The effects of adoption of IFRS 16 on the Group's financial statements as at 1 January 2019 are as follows:

Balance Sheet

	31 December 2018 $'000	Higher/ (Lower) $'000	1 January 2019 $'000
Non-current assets			
Investment properties	1,097,191	40,857	**1,138,048**
Current liabilities			
Trade and other payables	41,901	(337)	**41,564**
Lease liabilities	–	4,082	**4,082**
Non-current liabilities			
Lease liabilities	–	36,775	**36,775**
Equity			
Retained profits	397,609	337	**397,946**

An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 December 2018 and the lease liabilities recognised in the balance sheet as at 1 January 2019 are as follows:

	$'000
Operating lease commitment disclosed as at 31 December 2018	82,928
Less: Short-term leases	(1,078)
Less: Low-value leases, except for those under a sublease arrangement	(69)
Less: Committed non-cancellable leases with lease terms commencing after 1 January 2019	(34,257)
Less: Discounting effect using weighted average incremental borrowing rate of 3.411%	(11,122)
Add: Extension options which are reasonably certain to be exercised	4,416
Add: Adjustments relating to changes in the index or rate affecting variable payments	39
Lease liabilities recognised as at 1 January 2019	40,857

2.4 Revenue recognition

(a) 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. Refer to Note 2.20(a)(ii) for accounting policy on rental income.

(b) Other revenue from accommodation business

Other revenue incidental to provision of accommodation services are recognised when control of the product or service is transferred to the customer. Transfer of control occurs when the customers have accepted the products or services in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as payments are due immediately, which is consistent with market practice and a receivable (financial asset) is recognised when control of the product or service is transferred as this is the point in time that the consideration is unconditional.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (Continued)

(c) Sale of goods

The Group manufactures and sells optical storage media. Sales are recognised when control of the products are delivered to its customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit terms of 30 to 60 days, which is consistent with market practice. A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The Group does not operate any customer loyalty programme.

(d) Rendering of management services

Revenue from rendering of services is recognised over time upon the performance of the services or in accordance with the terms of the service contracts. Revenue represents management fees earned on property management and management of property real estate investments.

(e) Interest income

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

(f) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.5 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 which 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (Continued)

(a) Subsidiaries (Continued)

(i) Consolidation (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (Continued)

(a) Subsidiaries (Continued)

(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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Group accounting (Continued)

(c) Associated companies and joint ventures (Continued)

(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.

(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.

2.6 Government grants

Grants from the government are recognised as a 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. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 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.

(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:

	Useful lives
Building on freehold land	50 years
Leased office space and leasehold improvements	3 – 10 years
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 (losses)/gains – net".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investment properties

Investment properties include properties that are held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land 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.

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.

2.9 Intangible assets

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.

2.10 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 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 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.

2.12 Impairment of non-financial assets

Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associated companies and joint ventures

Property, plant and equipment, right-of-use assets 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 cash-generating unit ("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.

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.

2.13 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:
- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (Continued)

(a) Classification and measurement (Continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables, and listed debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other (losses)/gains – net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other (losses)/gains – net", except where the Group has elected to classify the investments as FVOCI. Movements in fair values of investments classified as FVOCI are presented as "fair value gains and losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (Continued)

(b) Impairment of financial assets (Continued)

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

(c) Recognition and derecognition

Regular way of 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 debt instrument, 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.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.14 Derivatives financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under IFRS 9.

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 31. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedges in place qualified as cash flow hedges under IFRS 9. The Group's management strategies and hedge documentation are aligned with the requirements of IFRS 9 and are thus treated as continuing hedges.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Derivatives financial instruments and hedging activities (Continued)

Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in "Finance expense". The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

2.15 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.

2.16 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. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of IFRS 15; and

(b) the amount of expected loss computed using the impairment methodology under IFRS 9.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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.

2.19 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.

2.20 Leases

(a) *The accounting policy for leases before 1 January 2019 are as follows:*

(i) *When the Group is the lessee:*

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

- *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.

- *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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (Continued)

(a) The accounting policy for leases before 1 January 2019 are as follows: (Continued)

(ii) When the Group is the lessor:

The Group subleases its leased 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 bases 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.

Contingent rent are recognised as income in profit or loss when earned.

(b) The accounting policy for leases from 1 January 2019 are as follows:

(i) When the Group is the lessee:

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

- *Right-of-use assets*

  The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

  Right-of-use asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.8.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (Continued)

(b) The accounting policy for leases from 1 January 2019 are as follows: (Continued)

(i) When the Group is the lessee: (Continued)

- *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

– Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
– Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
– Amount expected to be payable under residual value guarantees;
– The exercise price of a purchase option if is reasonably certain to exercise the option; and
– Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- *Short term and low value leases*

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- *Variable lease payments*

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (Continued)

(b) The accounting policy for leases from 1 January 2019 are as follows: (Continued)

(ii) When the Group is the lessor:

The accounting policy applicable to the Group as a lessor in the comparative period were the same under IFRS 16 except when the Group is an intermediate lessor.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Revenue". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.21 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.

2.22 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Income taxes (Continued)

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.

2.23 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.

2.24 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 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 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 Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.25 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 (losses)/gains – net".

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 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 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.

2.26 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.

2.27 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.

2.28 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

2.30 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 2.8). 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 2.8).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements 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

As at 31 December 2019, the carrying value of the Group's investment properties of $1,275,879,000 (2018: $1,097,191,000) accounted for 86% (2018: 83%) of the Group's total assets. The Group, with reliance on independent professional valuers, applies estimates, assumptions and judgements in the determination of fair values for investment properties. The valuation forms the basis for the carrying amounts of the investment properties held directly by the Group in the consolidated financial statements. There is significant judgement in key inputs used in the valuation. These key inputs include discount rate, rental rate, market value of comparable property and capitalisation rate, and are dependent on the nature of each investment property and the prevailing market conditions. The key unobservable inputs used to determine the fair value of the investment properties are disclosed in Note 22.

In addition, the investment properties held by the Group's associated companies and joint venture affect the carrying value of the Group's investment in associated companies and joint venture. As at 31 December 2019, the carrying value of the Group's investment in associated companies and joint venture accounted for using the equity method of accounting amounted to $108,918,000 (2018: $116,699,000) (Note 19) and $4,819,000 (2018: $4,604,000) (Note 20) respectively, and are affected by the significant estimates and assumptions in the determination of the fair value of its investment properties held by the associated companies (Note 19) and joint venture (Note 20). The valuation techniques and processes applied for these investment properties are aligned with the Group policy. The sensitivity of the changes in fair values of the investment properties to the carrying value of the associated companies and joint venture is disclosed in Note 19 and Note 20 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

4. REVENUE

	Group 2019 $'000	Group 2018 $'000
Rental income from investment properties (Note 22)	**124,940**	108,367
Rental income from operating leases	**–**	3,175
Revenue from contracts with customers (IFRS 15)		
Other revenue from accommodation business	**5,080**	4,905
Sale of optical storage media	**1,177**	1,505
Management services	**2,156**	2,118
	8,413	8,528
	133,353	120,070

Revenue from sale of optical storage media and other revenue from accommodation business are recognised at a point in time.

Revenue from management services is recognised over time.

5. COST OF SALES AND EXPENSES

	Group 2019 $'000	Group 2018 $'000
Purchase of raw materials and consumables	**234**	455
Changes in inventories	**44**	(4)
Depreciation of property, plant and equipment (Note 23)	**3,113**	3,086
Allowance for impairment of trade and other receivables	**177**	72
Property tax	**4,977**	5,105
Employee compensation (Note 9)	**21,214**	19,062
Rental expense	**2,534**	5,306
Utilities	**7,933**	6,233
Repairs and maintenance	**4,030**	2,928
Insurance	**703**	732
Security and card system expenses	**1,969**	1,513
Legal and professional fees	**2,803**	2,455
Transportation expenses	**1,279**	980
Advertising and promotion expenses	**1,517**	1,209
Fees on audit services paid/payable to:		
– auditor of the Company and affiliated audit firms*	**488**	525
– other auditors	**55**	48
Fees on non-audit services paid/payable to:		
– auditor of the Company and affiliated audit firms*	**739**	267
Others	**7,866**	5,930
Total cost of sales, distribution and administrative expenses	**61,675**	55,902

* Includes the network of member firms of PricewaterhouseCoopers ("PwC") International Limited (PwCIL)

Included in the Group's rental expense for the financial year ended 31 December 2018 was contingent rent amounting to $262,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

6. OTHER INCOME

	Group 2019 $'000	Group 2018 $'000
Interest income		
– Financial assets measured at amortised cost	**645**	549
– Debt investments measured at FVOCI	**492**	497
	1,137	1,046
Dividend income	**–**	73
Others	**–**	18
	1,137	1,137

7. OTHER (LOSSES)/GAINS – NET

	Group 2019 $'000	Group 2018 $'000
Currency exchange loss – net	**(38)**	(402)
Net (loss)/gain on disposal of plant and equipment	**(68)**	5
Government grants	**107**	121
Financial assets at FVOCI		
– reclassification from other comprehensive income on disposal (Note 34(b)(i))	**(171)**	(12)
Fair value (loss)/gain on financial assets at fair value through profit or loss (Note 18)	**(230)**	164
Others	**290**	210
	(110)	86

8. FINANCE EXPENSES

	Group 2019 $'000	Group 2018 $'000
Interest expense:		
– bank borrowings	**25,721**	23,163
– lease liabilities/finance lease liabilities	**1,609**	2
– associated company	**1,416**	1,325
– non-controlling interest	**215**	188
Cash flow hedges, reclassified from hedging reserve (Note 34(b)(ii))	**144**	–
Less: Borrowing costs capitalised in investment properties	**(346)**	(749)
Finance expenses recognised in profit or loss	**28,759**	23,929

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS

(a) Employee benefit expenses during the years are as follows:

	Group	
	2019 $'000	2018 $'000
Wages and salaries	**19,473**	17,323
Employer's contribution to defined contribution plans, including Central Provident Fund	**1,741**	1,739
Total employee compensation (Note 5)	**21,214**	19,062

(b) Directors' and chief executive officer's remunerations

The remuneration of every director and the chief executive officer for the year ended 31 December 2019 is set out below:

Name of director and chief executive	Fees $'000	Salaries, allowances and benefits in kind $'000	Discretionary bonuses $'000	Employer's contribution to defined contribution plans $'000	Other benefits $'000	Total $'000
Executive directors						
Wong Kok Hoe(1)	85	67	43	2	10	**207**
Teo Peng Kwang	10	406	472	13	32	**933**
	95	473	515	15	42	**1,140**
Non-executive directors						
Han Seng Juan(2)	46	–	–	–	–	**46**
Loh Kim Kang David(2)	46	–	–	–	–	**46**
	92	–	–	–	–	**92**
Independent non-executive directors						
Chandra Mohan s/o Rethnam	81	–	–	–	–	**81**
Gn Hiang Meng	103	–	–	–	–	**103**
Owi Kek Hean	78	–	–	–	–	**78**
Tan Poh Hong	61	–	–	–	–	**61**
Lee Wei Loon(3)	6	–	–	–	–	**6**
	329	–	–	–	–	**329**
Chief Executive Officer						
Kong Chee Min	–	450	369	17	25	**861**
	–	450	369	17	25	**861**
	516	923	884	32	67	**2,422**

Notes:

(1) Re-designated from Non-Executive Director to Executive Director and appointed Deputy Chairman of the Board on 13 November 2019. Ceased as Chairman of the Board and a member of the Remuneration Committee on 13 November 2019.

(2) Appointed Joint Chairmen of the Board on 13 November 2019.

(3) Appointed a Director and a member of the Remuneration Committee on 13 November 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS (CONTINUED)

(b) Directors' and chief executive officer's remunerations (Continued)

The remuneration of every director and the chief executive officer for the year ended 31 December 2018 is set out below:

Name of director	Fees $'000	Salaries, allowances and benefits in kind $'000	Discretionary bonuses $'000	Employer's contribution to defined contribution plans $'000	Other benefits $'000	Total $'000
Executive director						
Teo Peng Kwang	7	309	449	13	28	**806**
	7	309	449	13	28	**806**
Non-executive directors						
Han Seng Juan	42	–	–	–	–	**42**
Loh Kim Kang David	42	–	–	–	–	**42**
Wong Kok Hoe	72	–	–	–	–	**72**
	156	–	–	–	–	**156**
Independent non-executive directors						
Chandra Mohan s/o Rethnam	80	–	–	–	–	**80**
Gn Hiang Meng	101	–	–	–	–	**101**
Owi Kek Hean	73	–	–	–	–	**73**
Tan Poh Hong	40	–	–	–	–	**40**
	294	–	–	–	–	**294**
Chief Executive Officer						
Kong Chee Min	–	356	453	17	31	**857**
	–	356	453	17	31	**857**
	457	665	902	30	59	**2,113**

(i) Directors' and chief executive officer's salaries, allowances, discretionary bonuses and other benefits

The executive directors' and chief executive officer's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were paid for their services as directors of the Company.

The discretionary bonuses are annual performance bonus tied to individual performance as well as the Group's performance, taking into account the strategic objectives of the Company.

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS (CONTINUED)

(b) Directors' and chief executive officer's remunerations (Continued)

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 (including one director (2018: one)), whose remunerations were the highest in the Company are reflected in the analysis presented below.

	Group	
	2019 $'000	**2018 $'000**
Wages, salaries and allowances	**3,079**	3,201
Retirement benefits costs		
– defined contributions plans	**86**	92
	3,165	3,293

The remunerations of above individuals are within the following bands:

	Number of individuals	
	2019	**2018**
Remunerations band		
HK$1,500,001 – HK$2,000,000	**–**	1
HK$2,000,001 – HK$2,500,000	**1**	–
HK$2,500,001 – HK$3,000,000	**2**	1
HK$4,000,001 – HK$4,500,000	**–**	–
HK$4,500,001 – HK$5,000,000	**1**	3
HK$5,000,001 – HK$5,500,000	**1**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. INCOME TAXES

(a) Income tax expense

	Group	
	2019 $'000	2018 $'000
Tax expense attributable to the profit is made up of:		
– Profit for the financial year		
Current income tax		
– Singapore	**4,968**	4,961
– Foreign	**1,297**	2,732
	6,265	7,693
Deferred income tax (Note 32)	**1,723**	4,428
	7,988	12,121
– (Over)/under provision in prior financial years		
Current income tax	**(818)**	377
Deferred income tax (Note 32)	**43**	(63)
	7,213	12,435

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	
	2019 $'000	2018 $'000
Profit before tax	**111,001**	96,586
Share of profit of associated companies and joint venture, net of tax	**(789)**	(6,571)
Profit before tax and share of profit of associated companies and joint venture	**110,212**	90,015
Tax calculated at a tax rate of 17% (2018: 17%)	**18,736**	15,303
Effects of:		
– different tax rates in other countries	**591**	4,600
– statutory stepped income exemption	**(106)**	(165)
– expenses not deductible for tax purposes	**3,991**	4,704
– income not subject to tax	**(14,100)**	(11,831)
– utilisation of previously unrecognised tax losses	**(497)**	(167)
– utilisation of previously unrecognised capital allowances	**(1,407)**	(671)
– unrecognised deferred tax assets	**743**	376
– (over)/under provision of tax in prior years	**(775)**	314
– others	**37**	(28)
Tax charge	**7,213**	12,435

During the current financial year, management has reassessed the qualifying expenditure on an investment property through a capital allowance maximisation study. Capital allowances of approximately $7,260,000 (2018: $3,929,000) pertaining to prior years' capital expenditure are claimed in the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. INCOME TAXES (CONTINUED)

(b) Movements in current income tax liabilities/(recoverable)

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Beginning of financial year	**8,018**	9,908	**895**	895
Currency translation differences	**(13)**	(65)	**–**	–
Income tax paid – net	**(7,039)**	(9,895)	**–**	–
Tax expense	**6,265**	7,693	**153**	–
(Over)/under provision in prior financial years	**(818)**	377	**(152)**	–
End of financial year	**6,413**	8,018	**896**	895

The current income tax account comprises the following:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current income tax recoverable (Included in Other assets – Note 15)	**(679)**	–	**–**	–
Current income tax liabilities	**7,092**	8,018	**896**	895
	6,413	8,018	**896**	895

(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.

	2019	2018
Net profit attributable to equity holders of the Company ($'000)	**99,951**	79,326
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**840,779**	840,779
Basic earnings per share (cents)	**11.89**	9.43

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 were adjusted for the effects of all dilutive potential ordinary shares.

As at 31 December 2019 and 2018, the basic and diluted earnings per share are the same, as the Company has no dilutive potential ordinary shares.

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	2019	2018
Net profit used to determine diluted earnings per share ($'000)	**99,951**	79,326
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**840,779**	840,779
Diluted earnings per share (cents)	**11.89**	9.43

12. CASH AND BANK BALANCES

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash at bank and on hand	**23,977**	18,615	**605**	3,126
Short-term bank deposits	**24,611**	44,287	**14,298**	30,955
	48,588	62,902	**14,903**	34,081

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2019 $'000	2018 $'000
Cash and bank balances (as above)	**48,588**	62,902
Less: Short-term bank deposits charged as security to bank	**(1,255)**	(1,372)
Less: Restricted cash in relation to provision of bank guarantee	**–**	(172)
Less: Bank overdrafts (Note 28)	**(955)**	–
Cash and cash equivalents per consolidated statement of cash flows	**46,378**	61,358

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. CASH AND BANK BALANCES (CONTINUED)

As at 31 December 2019, short-term bank deposits of the Group amounting to $1,255,000 (2018: $1,372,000) 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 2018 and 31 December 2019 are as follows:

	31 December 2018 $'000	Cash flows $'000	Non-cash items $'000	Interest expense $'000	Currency translation differences $'000	31 December 2019 $'000
Bank borrowings and finance lease liabilities (Note 28)	603,040	22,754	–	16	1,838	**627,648**
Notes payable (Note 28)	84,712	(25,593)	–	459	–	**59,578**
Lease liabilities (Note 29)	–	(5,931)	71,147	1,609	85	**66,910**
Loan from non-controlling interests (Note 28)	6,517	628	–	–	5	**7,150**
Loan from associated company (Note 28)	43,189	(861)	–	–	–	**42,328**
Interest payable (Note 28)	939	(2,585)	–	3,026	–	**1,380**
Derivative financial instruments (Note 31)	–	(144)	1,638	144	–	**1,638**
Accrued interest expense	591	(23,472)	–	23,505	–	**624**
	738,988	(35,204)	72,785	28,759	1,928	**807,256**

	31 December 2017 $'000	Cash flows $'000	Non-cash items $'000	Interest expense $'000	Currency translation differences $'000	31 December 2018 $'000
Bank borrowings and finance lease liabilities (Note 28)	447,948	162,681	–	16	(7,605)	**603,040**
Notes payable (Note 28)	149,144	(64,750)	–	318	–	**84,712**
Loan from non-controlling interests (Note 28)	6,370	147	–	–	–	**6,517**
Loan from associated company (Note 28)	46,635	(3,446)	–	–	–	**43,189**
Interest payable (Note 28)	2,541	(7,862)	–	6,260	–	**939**
Accrued interest expense	643	(17,387)	–	17,335	–	**591**
	653,281	69,383	–	23,929	(7,605)	**738,988**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. TRADE AND OTHER RECEIVABLES

(a) Current

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade receivables – non-related parties	**4,192**	3,866	**28**	–
Less: Allowance for impairment	**(883)**	(781)	**–**	–
	3,309	3,085	**28**	–
Receivables from subsidiaries				
– trade	**–**	–	**10,840**	10,700
– non-trade	**–**	–	**10,089**	19,878
Receivables from associated companies				
– trade	**1,252**	449	**–**	–
– non-trade	**1,695**	1,407	**18**	12
Loans to subsidiaries	**–**	–	**–**	2,215
	2,947	1,856	**20,947**	32,805
Less: Allowance for impairment	**–**	–	**(78)**	(3,855)
	2,947	1,856	**20,869**	28,950
Other receivables	**1,804**	7,031	**211**	660
Finance lease receivables	**–**	–	**121**	–
	8,060	11,972	**21,229**	29,610

During the financial year, the Company provided allowance for impairment of $78,000 (2018: $nil) for current receivables from a subsidiary and wrote back allowances for impairment of non-trade receivables from subsidiaries of $64,000 (2018: $82,000) (Note 13(b)).

The Company has written off receivables due from a subsidiary and loan to a subsidiary amounting to $3,855,000 during the financial year.

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 2018 and 2019, the ageing analysis of the trade receivables based on invoice date is as follows:

	Group	
	2019 $'000	2018 $'000
Up to 3 months	**3,057**	2,892
3 to 6 months	**446**	302
Over 6 months	**689**	672
	4,192	3,866

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Non-current

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Loans to subsidiaries	**–**	–	**381,762**	368,583
Less: Allowance for impairment	**–**	–	**(9,666)**	(9,730)
	–	–	**372,096**	358,853
Finance lease receivables	**–**	–	**233**	–
	–	–	**372,329**	358,853

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 $75,679,620 (2018: $70,137,000) which bears interest at 5.5% (2018: 5.5%) per annum and $6,630,000 (2018: $6,630,000) which bears floating interest rates. The fair value of non-current loans to subsidiaries cannot be reliably determined as they have no fixed term of repayment.

The loans to subsidiaries are treated as a long-term source of additional capital and financing to the subsidiaries. Settlement of the loans is neither planned nor likely to occur in the foreseeable future.

14. INVENTORIES

	Group	
	2019 $'000	2018 $'000
Finished goods	**13**	18
Raw materials	**31**	70
	44	88

The cost of inventories recognised as expense and included in "cost of sales" amounted to $278,000 (2018: $451,000).

15. OTHER ASSETS

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Deposits	**5,185**	2,503	**67**	198
Prepayments	**742**	1,557	**54**	76
Tax recoverable (Note 10(b))	**679**	–	**–**	–
Others	**142**	60	**115**	51
	6,748	4,120	**236**	325
Non-current				
Deposits	**985**	570	**130**	–
Others	**9**	28	**–**	–
	994	598	**130**	–

At the balance sheet date, the carrying amounts of the non-current deposits approximate their fair values.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

16. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Beginning of financial year	**9,322**	11,887	**9,322**	11,887
Currency translation differences	**(43)**	68	**(43)**	68
Disposal	**(500)**	(2,000)	**(500)**	(2,000)
Fair value gains/(losses) recognised in other comprehensive income (Note 34(b)(i))	**386**	(633)	**386**	(633)
End of financial year	**9,165**	9,322	**9,165**	9,322

Financial assets, at fair value through other comprehensive income are analysed as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Listed debt securities – Singapore	**9,165**	9,322	**9,165**	9,322

Financial assets, at fair value through other comprehensive income were 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	
	2019 $'000	2018 $'000
Details of the assets classified as held for sale are as follows:		
Beginning of financial year	**5,586**	6,801
Currency translation differences	**87**	(152)
Transferred to investment properties (Note 22)	**–**	(1,780)
Net fair value (loss)/gain recognised in profit or loss	**(226)**	717
	5,447	5,586

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 were reclassified to assets held for sale in 2016 and will remain in assets held for sale until the completion of the sale.

In the prior financial year, a property previously recognised as an asset held for sale with a carrying amount of $1,780,000 was identified to be developed to meet demand for purpose-built workers accommodation. Consequently, with management's change in intention for sale, the property is reclassified to investment properties (Note 22).

As at 31 December 2019, management has confirmed that its intention and commitment to sell these assets remained unchanged and they continue to be actively marketing the asset held for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

17. ASSETS HELD FOR SALE (CONTINUED)

Location	Note	Description	Existing use	Tenure	Unexpired term of lease	Previous classification
Desa Cemerlang, Lot 2152, Batu 13 1/4, Jalan Sungai Tiram, 81800 Ulu Tiram Johor, Malaysia	(a)	9 blocks of workers dormitory	Commercial dormitory	Freehold	–	Investment Property
Beechwood House, 9-11 Ladybarn Lane, Fallowfield, Manchester M14 6NQ United Kingdom	(a)	2 apartment blocks consisting of 11 flats with 37 beds	Student accommodation	Leasehold	115 years	Investment Property
Indonesia MM 2100 Industrial Town Jl. Bali Blok HI-1 Cibitung Bekasi 17520	(b)	Factory compound	Industrial factory building	Leasehold	5 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	1.5 years	Property, plant and equipment

(a) Assets held for sale amounting to $4,138,000 (2018: $4,301,000) which were previously classified as investment properties were recognised at fair value based on independent valuation reports upon reclassification in 2016. Fair value loss of $226,000 (2018: fair value gain of $717,000) were recognised in profit or loss.

(b) The remaining assets held for sale of $1,309,000 were re-classified from property, plant and equipment in 2016 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 22).

18. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2019 $'000	**2018 $'000**
Beginning of financial year	**383**	51
Currency translation differences	**3**	(6)
Additions	**–**	174
Fair value (loss)/gain recognised in profit or loss (Note 7)	**(230)**	164
End of financial year	**156**	383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

18. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets, at fair value through profit or loss are analysed as follows:

	Group	
	2019 $'000	2018 $'000
Designated at fair value on initial recognition		
– Unquoted equity investment – Singapore (Note (a))	**49**	53
– Rental guarantee from acquisition of student accommodation asset – United Kingdom (Note (b))	**107**	330

(a) As at 31 December 2019 and 2018, 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.

(b) As at 31 December 2019 and 2018, the fair value of rental guarantee is derived from independent valuation report obtained.

19. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Equity investment, at cost			**1,668**	1,668
Less: Accumulated impairment			**(370)**	(370)
			1,298	1,298
Beginning of financial year	**116,699**	112,810		
Acquisition of interest in an associated company (Note 19(a))	**–**	1,257		
Currency translation differences	**(419)**	791		
Share of fair value losses from cash flow hedges (Note 34(b)(ii))	**(36)**	–		
Share of profit	**427**	7,014		
Dividends received	**(7,817)**	(5,245)		
Share of loss in excess of investment in an associated company	**64**	72		
End of financial year	**108,918**	116,699		

(a) In the prior financial year, the Group acquired a 14.3% equity interest in Centurion Student Accommodation Fund. The total cash consideration for acquisition of the entity was $1,257,000. The carrying value of net identifiable assets at the date of acquisition approximated the cash consideration. The principal activity of the entity is a trust holding of real estate properties under an investment structure. The Group has $8,743,000 of commitments to provide funding if called, relating to its associate.

(b) There are no contingent liabilities relating to the Group's interest in the associated companies.

(c) The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associates accounted for using the equity method:

	2019 $'000	2018 $'000
Loss after tax	**(110)**	(164)
Other comprehensive income	**32**	41
Total comprehensive loss	**(78)**	(123)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(d) Set out below are the associated companies of the Group as at 31 December 2019, 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.

Name of entity	Principal activities	Place of business/ country of incorporation	% of ownership interest 2019 %	% of ownership interest 2018 %
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],[e]	Property investment and provision of dormitory accommodation, management and services	Malaysia	**49.0**	49.0
Centurion Student Accommodation Fund[c],[f],[g]	Investment holding	Singapore	**14.3**	14.3
Held by Centurion Student Accommodation Fund				
Centurion Accommodation (I) Holdings Pte. Ltd.[c],[g]	Investment holding	Singapore	**14.3**	14.3
Held by Centurion Accommodation (I) Holdings Pte. Ltd.				
Centurion Investments (JS IX) Ltd[d],[g]	Property investment and provision of student accommodation	Jersey	**14.3**	14.3
Centurion Investments (JS X) Ltd[h]	Struck-off	Jersey	**–**	14.3

(a) Audited by Grant Thornton MSW.
(b) Audited by PricewaterhouseCoopers PLT, Malaysia.
(c) Audited by PricewaterhouseCoopers LLP, Singapore.
(d) Audited by PricewaterhouseCoopers LLP, United Kingdom.
(e) Holdings through Centurion Dormitories Sdn Bhd.
(f) Holdings through Centurion Overseas Investments Pte. Ltd.
(g) Collectively known as Centurion Student Accommodation Fund Group.
(h) Centurion Investments (JS X) Ltd was voluntarily struck-off during the financial year.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(e) Set out below are the associated companies of the Group as at 31 December 2019, 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 2019 %	2018 %
Held by subsidiary				
Lian Beng-Centurion (Mandai) Pte. Ltd.[(a),(c)]	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[(b),(d),(e)]	Investment holding	Singapore	**28.7**	28.7
Held by Centurion US Student Housing Fund				
Centurion US Student Accommodation Holdings Pte. Ltd.[(b),(e)]	Investment holding	Singapore	**28.7**	28.7
Held by Centurion US Student Accommodation Holdings Pte. Ltd.				
Centurion US Student Accommodation Inc.[(b),(e)]	Investment holding	United States of America	**28.7**	28.7

(a) Audited by Ernst and Young LLP, Singapore.
(b) Audited by PricewaterhouseCoopers LLP, Singapore.
(c) Holdings through Centurion Dormitories Pte. Ltd.
(d) Holdings through Centurion Overseas Investments Pte. Ltd.
(e) Collectively known as Centurion US Student Housing Fund Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 Group As at 31 December		Lian Beng-Centurion (Mandai) Pte Ltd[1] As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd[1] As at 31 December	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
ASSETS						
Current assets	**3,144**	6,212	**6,479**	10,422	**13,780**	13,720
Non-current assets	**100,155**	123,955	**310,527**	315,175	**213**	299
Includes:						
– Investment properties (Note (i))	**–**	–	**268,200**	268,200	**–**	–
– Financial assets, at fair value through profit or loss (Note (ii))	**43,648**	66,684	**–**	–	**–**	–
LIABILITIES						
Current liabilities	**(1,215)**	(2,506)	**(8,924)**	(9,014)	**(7,017)**	(6,956)
Non-current liabilities	**–**	–	**(143,377)**	(151,033)	**(26)**	(32)
NET ASSETS	**102,084**	127,661	**164,705**	165,550	**6,950**	7,031

[1] Lian Beng-Centurion (Dormitory) Pte Ltd is a wholly owned subsidiary of Lian Beng-Centurion (Mandai) Pte Ltd. As no consolidation is prepared for Lian-Beng Centurion (Mandai) Pte Ltd and its subsidiary, the Group has presented the standalone financial information for these two companies instead.

(i) If the actual fair values of the investment properties held by the material associates increase/decrease by 3% (2018: 3%), the net assets attributable to the Group, taking into account tax impact, will increase/decrease by $3,621,000 (2018: $3,621,000).

(ii) Through its investment in the financial asset held at fair value through profit or loss, the Centurion US Student Housing Fund Group has an interest in the underlying investment properties of $255,754,000 (2018: $274,629,000). If the actual fair values of these investment properties increase/decrease by 3% (2018: 3%), the fair value of its financial asset held at fair value through profit or loss, taking into account tax impact, will increase/(decrease) by $4,243,000/($7,673,000) [2018: $4,556,000/($8,239,000)], and correspondingly, the net assets attributable to the Group will increase/(decrease) by $1,220,000/($2,205,000) [2018: $1,310,000/($2,368,000)].

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated companies (Continued)

Set out below is the summarised financial information for the material associated companies held by the Group. (Continued)

Summarised statement of comprehensive income

	Centurion US Student Housing Fund Group For the year ended 31 December		Lian Beng-Centurion (Mandai) Pte Ltd[1] For the year ended 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd For the year ended 31 December	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue	**–**	–	**–**	–	**23,222**	23,145
(Loss)/profit before tax	**(16,324)**	3,326	**11,839**	13,143	**15,098**	14,893
– Income tax expense	**(175)**	–	**(28)**	–	**(2,523)**	(2,552)
Other comprehensive (loss)/income	**(1,695)**	2,609	**–**	–	**–**	–
Total comprehensive (loss)/income	**(18,194)**	5,935	**11,811**	13,143	**12,575**	12,341

[1] Lian Beng-Centurion (Mandai) Pte Ltd's total comprehensive income of $11,811,000 (2018: $13,143,000) includes dividend income of $12,656,000 (2018: $11,656,000) received from its wholly owned subsidiary Lian Beng-Centurion (Dormitory) Pte Ltd during the financial year.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated companies (Continued)

Set out below is the summarised financial information for the material associated companies held by the Group. (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 Group		Lian Beng-Centurion (Mandai) Pte Ltd		Lian Beng-Centurion (Dormitory) Pte Ltd		Total	
	31 December		31 December		31 December		As at 31 December	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Net assets								
At 1 January	**127,661**	121,726	**165,550**	164,063	**7,031**	6,346		
Other comprehensive (loss)/income	**(1,695)**	2,609	**–**	–	**–**	–		
(Loss)/profit for the year	**(16,499)**	3,326	**11,811**	13,143	**12,575**	12,341		
Dividends paid	**(7,383)**	–	**(12,656)**	(11,656)	**(12,656)**	(11,656)		
Net assets at 31 December	**102,084**	127,661	**164,705**	165,550	**6,950**	7,031		
Interest in the associated companies (28.7%; 45%; 45%)	**29,339**	36,694	**74,117**	74,498	**3,128**	3,164	**106,584**	114,356
Add:								
Carrying value of individually immaterial associated companies, in aggregate							**2,334**	2,343
Carrying value of Group's interest in associated companies							**108,918**	116,699
Dividends received from associated companies	**2,122**	–	**5,695**	5,245	**NA**	NA	**7,817**	5,245

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

20. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Equity investment, at cost			**–**	–
Beginning of financial year	**4,604**	–		
Acquisition of interest in a joint venture (Note 20(a))	**–**	5,066		
Currency translation differences	**(147)**	(19)		
Share of profit/(loss)	**362**	(443)		
End of financial year	**4,819**	4,604		

(a) In the prior financial year, the Group acquired a 55% equity interest in IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC. The total cash consideration for acquisition of the entity was $5,066,000. The carrying value of net identifiable assets at the date of acquisition approximated the cash consideration. The principal activity of the entity is property investment in accommodation assets.

Set out below is the joint venture of the Group as at 31 December 2019:

Name of entity	Principal activities	Place of business/ country of incorporation	% of ownership interest	
			2019 %	2018 %
Held by subsidiary				
IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC[(a),(b)]	Property investment	South Korea	**55.0**	55.0

(a) Holdings through Centurion Overseas Investments Pte Ltd.
(b) Not required to be audited under the laws of the country of incorporation.

There are no contingent liabilities relating to the Group's interest in the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

20. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information for joint venture

Set out below is the summarised financial information for IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC.

Summarised balance sheet

	IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC As at 31 December	
	2019 $'000	2018 $'000
ASSETS		
Current assets	**686**	1,617
Includes:		
– Cash and cash equivalents	**619**	639
Non-current assets	**21,585**	18,542
Includes:		
– Investment property	**21,585**	18,542
LIABILITIES		
Current liabilities	**(396)**	(990)
Includes:		
– Derivative financial instruments	**(167)**	–
– Borrowings	**–**	(774)
Non-current liabilities	**(13,113)**	(10,798)
Includes:		
– Borrowings	**(13,113)**	(10,798)
NET ASSETS	**8,762**	8,371

If the actual fair value of the investment property held by the joint venture increase/decrease by 3% (2018: 3%), the net assets attributable to the Group, taking into account tax impact, will increase/decrease by $353,000 (2018: $306,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

20. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information for joint venture (Continued)

Summarised statement of comprehensive income

	IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC For the year ended 31 December 2019 $'000	2018 $'000
Revenue	**763**	132
Interest income	**38**	59
Expenses		
Includes:		
– Depreciation and amortisation	**–**	–
– Interest expense	**(554)**	(126)
Profit/(loss) before tax	**657**	(804)
– Income tax expense	**–**	–
Other comprehensive loss	**(266)**	(35)
Total profit/(loss) and total comprehensive income/(loss)	**391**	(839)

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint venture, is as follows

	IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC 31 December 2019 $'000	2018 $'000
Net Assets		
As at 1 January	**8,371**	–
Incorporation of joint venture	**–**	9,210
Other comprehensive loss	**(266)**	(35)
Profit/(loss) for the year	**657**	(804)
Net assets as at 31 December	**8,762**	8,371
Interest in the joint venture (55%)	**4,819**	4,604

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 $'000	2018 $'000
Equity investment, at cost	**26,193**	26,193
Less: Accumulated impairment	**(9,548)**	(9,490)
	16,645	16,703

(a) The carrying amount of investments in subsidiaries and the movement in the related allowance for impairment are as follows:

	Company	
	2019 $'000	2018 $'000
Beginning of financial year	**16,703**	16,853
Impairment of subsidiaries	**(58)**	(150)
End of financial year	**16,645**	16,703

During the financial year, the Company provided for impairment of subsidiaries amounting to $58,000 (2018: $150,000) as the carrying amount of a subsidiary exceeded its recoverable amount.

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018:

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company 2019 %	2018 %	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
Summit CD Manufacture Pte Ltd[(a)]	Manufacture and sale of optical discs and related components	Singapore	SGD2,000,000	**100**	100	**100**	100	**–**	–
Summit Hi-Tech Pte Ltd[(a)]	Dormant	Singapore	SGD1,003,000	**100**	100	**100**	100	**–**	–
SM Summit Holdings Pte. Ltd.[(a)]	Investment holding	Singapore	SGD500,000	**100**	100	**100**	100	**–**	–
Clean2Go Laundry Pte. Ltd.[(h)]	Struck-off	Singapore	SGD100,000	**–**	–	**–**	100	**–**	–
Advance Technology Investment Ltd[(b),(h)]	Investment holding	Hong Kong	HKD100,000	**–**	–	**100**	100	**–**	–
Shanghai Huade Photoelectron Science & Technology Co. Ltd[(c),(i)]	Dormant	People's Republic of China	CNY59,817,675	**–**	–	**100**	100	**–**	–
Summit Technology Australia Pty Ltd[(d)]	Dormant	Australia	AUD4,000,000	**100**	100	**100**	100	**–**	–
Summit Printing (Australia) Pty Ltd[(j)]	Struck-off	Australia	AUD100,002	**–**	–	**–**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company 2019 %	2018 %	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
Centurion Accommodation (Australia) Pty Ltd[d),(j]	Property investments	Australia	AUD2,000,000	**–**	–	**100**	100	**–**	–
Summit CD Manufacture (HK) Ltd[b]	Dormant	Hong Kong	HKD3,000,000	**100**	100	**100**	100	**–**	–
Gate Cosmos Investments Ltd[b]	Investment holding	British Virgin Islands	SGD2	**100**	100	**100**	100	**–**	–
PT Digital Media Technology[e),(k]	Ceased operations	Indonesia	IDR10,005,000,000	**–**	–	**100**	100	**–**	–
Centurion Dormitories Pte. Ltd.[a]	Investment holding	Singapore	SGD2,000,000	**100**	100	**100**	100	**–**	–
Westlite Dormitory Management Pte. Ltd.[a),(l]	Provision of management services	Singapore	SGD4,000,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Toh Guan) Pte. Ltd.[a),(l]	Property investments and provision of dormitory accommodation services	Singapore	SGD1,000,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory Investments Pte. Ltd.[a),(l]	Investment holding	Singapore	SGD4,935,600	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tuas) Pte. Ltd.[a),(m]	Dormant	Singapore	SGD1,000,000	**–**	–	**100**	100	**–**	–
Centurion Dormitories Holdings Pte. Ltd.[a]	Investment holding	Singapore	SGD100,000	**100**	100	**100**	100	**–**	–
Westlite Dormitory (Woodlands) Pte. Ltd.[a),(n]	Property investments and provision of dormitory accommodation services	Singapore	SGD1,000,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (V Two) Pte. Ltd.[a),(n]	Investment holding	Singapore	SGD110,000	**–**	–	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company 2019 %	2018 %	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
PT Westlite Accommodation Cibitung[(b),(o)]	Property investments and provision of dormitory accommodation services	Indonesia	IDR5,000,000,000	–	–	**100**	100	–	–
Westlite Juniper (Mandai) Pte. Ltd. (formerly known as Westlite Dormitory (V Three) Pte. Ltd.)[(a),(n)]	Provision of dormitory accommodation services	Singapore	SGD800,000	–	–	**100**	100	–	–
Centurion Dormitory Venture Pte. Ltd.[(a)]	Investment holding	Singapore	SGD100,000	**100**	100	**100**	100	–	–
Centurion-Lian Beng (Papan) Pte. Ltd.[(a),(p)]	Property investments and provision of dormitory accommodation services	Singapore	SGD2,000,000	–	–	**51**	51	**49**	49
CSL Student Living (Selegie) Pte. Ltd.[(a),(n)]	Provision of student accommodation and services	Singapore	SGD500,000	–	–	**100**	100	–	–
WLC Facilities Services Pte. Ltd.[(a),(l)]	Provision of utilities and transportation services	Singapore	SGD100,000	–	–	**100**	100	–	–
Centurion Dormitories Sdn Bhd[(f),(l)]	Investment holding	Malaysia	MYR1,000,000	–	–	**100**	100	–	–
Westlite Dormitory Management Sdn Bhd[(f),(q)]	Provision of management services	Malaysia	MYR500,000	–	–	**100**	100	–	–
WLC Services Sdn. Bhd. (formerly known as WLC Management Services Sdn Bhd)[(f),(q)]	Cleaning and maintenance services	Malaysia	MYR100,000	–	–	**100**	100	–	–
Westlite Dormitory (Tebrau) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	**100**	100	–	–
Westlite Dormitory (Cemerlang) Sdn Bhd[(f),(q)]	Dormant	Malaysia	MYR100,000	–	–	**100**	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018: (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	
				2019 %	2018 %	2019 %	2018 %	2019 %	2018 %
Centurion Overseas Ventures Ltd[(b),(r)]	Investment holding and provision of management services	Malaysia	AUD33,600,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (JB Techpark) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tampoi) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Pasir Gudang) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (PG II) Sdn Bhd[(f),(q)]	Dormant	Malaysia	MYR10	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Senai) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (SN II) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	**–**	–	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company 2019 %	2018 %	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
Westlite Dormitory (Penang Juru) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR1,000,000	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Bukit Minyak) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	**–**	–	**100**	100	**–**	–
First Megalink Sdn Bhd[(f),(q)]	Dormant	Malaysia	MYR2	**–**	–	**100**	100	**–**	–
Centurion Overseas Investments Pte. Ltd.[(a)]	Investment holding	Singapore	SGD11,000,000	**100**	100	**100**	100	**–**	–
Centurion Melbourne Student Village Trust[(d),(s)]	Trust	Australia	AUD52,200,000	**–**	–	**100**	100	**–**	–
Centurion Melbourne Apartment Trust[(d),(s)]	Trust	Australia	AUD6,400,000	**–**	–	**100**	100	**–**	–
Centurion Australia Investments Pty Ltd[(b),(r)]	Trustees for 2 trusts in Australia	Australia	AUD10,000	**–**	–	**100**	100	**–**	–
Centurion Student Services Pty Ltd[(d),(r)]	Provide management services and student accommodation services	Australia	AUD100,000	**–**	–	**100**	100	**–**	–
Centurion Overseas Investments (II) Pte. Ltd.[(a),(r)]	Investment holding	Singapore	SGD100,000	**–**	–	**100**	100	**–**	–
Centurion SA Investments Pty Ltd[(t)]	Provision of trustee services	Australia	AUD2	**–**	–	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018: (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	
				2019 %	2018 %	2019 %	2018 %	2019 %	2018 %
Centurion Investments (JS A) Ltd[b],[t]	Investment holding	Jersey	AUD19,500,000	–	–	**100**	100	–	–
Centurion Adelaide Student Village Trust[d],[u]	Trust	Australia	AUD22,550,000	–	–	**100**	100	–	–
Centurion Student Services (UK) Ltd[g],[r]	Provide management services and student accommodation services	United Kingdom	GBP100,000	–	–	**100**	100	–	–
Centurion Investments (JS) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP700,000	–	–	**100**	100	–	–
Centurion Investments (JS I) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	**100**	100	–	–
Centurion Investments (JS II) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP200,000	–	–	**100**	100	–	–
Centurion Investments (JS III) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	**100**	100	–	–
Centurion Investments (JS IV) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	**100**	100	–	–
Centurion Investments (JS V) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	**100**	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018: (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	
				2019 %	2018 %	2019 %	2018 %	2019 %	2018 %
Centurion Investments (JS VI) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP100,000	**–**	–	**100**	100	**–**	–
Centurion Investments (JS VII) Ltd[b],[r]	Property investments and provision of student accommodation	Jersey	GBP100,000	**–**	–	**100**	100	**–**	–
Centurion Accommodation Management Pte. Ltd.[a]	Business and management consultancy services and investment holding	Singapore	SGD1	**100**	100	**100**	100	**–**	–
Centurion Student Investment Management Pte. Ltd.[a],[v]	Fund management activities	Singapore	SGD1,000	**–**	–	**100**	100	**–**	–
Centurion Student Accommodation Trustee Pte. Ltd.[a],[v]	Provision of trustee services	Singapore	SGD1,000	**–**	–	**100**	100	**–**	–
Centurion Student ACM Trustee (I) Pte. Ltd.[a],[v]	Provision of trustee services	Singapore	SGD1,000	**–**	–	**100**	100	**–**	–
Dwell Student Living Korea Ltd[b],[v]	Provision of management and asset management services	South Korea	KRW10,000,000	**–**	–	**100**	100	**–**	–
Dwell US Student Living LLC[b],[v]	Provision of management services and student accommodation services	United States of America	USD1,000	**–**	–	**100**	60	**–**	40
Dwell Adelaide Student Living Pty Ltd[d],[v]	Provision of management services and student accommodation services	Australia	AUD1,000	**–**	–	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2019 and 2018: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company 2019 %	2018 %	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
CSL Student Living Benikea KP Ltd(b),(r)	Provision of tourist and student accommodation services	South Korea	KRW10,000,000	**–**	–	**55**	55	**45**	45
Centurion Overseas Venture (HK) Limited(b),(p)	Dormant	Hong Kong	HKD10,000	**–**	–	**100**	100	**–**	–
Centurion Investments (BV) Ltd(b),(r)	Property investment and provision of student accommodations	British Virgin Islands	GBP10,000	**–**	–	**100**	–	**–**	–
Westlite Dormitory (V Six) Pte. Ltd.(b),(p)	Dormant	Singapore	SGD1,000	**–**	–	**100**	–	**–**	–

(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 venture and associated companies would not compromise the standard and effectiveness of the audit of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Changes in the Group's ownership interest in subsidiaries

During the current financial year, the Company's indirectly wholly owned subsidiary, Centurion Dormitories Sdn Bhd has subscribed an additional 99,800 ordinary shares in the share capital of its wholly owned subsidiary, WLC Services Sdn. Bhd. (formerly known as WLC Management Services Sdn. Bhd.) for a total cash consideration of MYR99,800. After the subscription, the issued and paid-up share capital of WLC Services Sdn. Bhd. has increased to MYR100,000.

The Company's directly wholly owned subsidiary, Centurion Dormitories Holdings Pte. Ltd. has subscribed an additional 770,000 ordinary shares in the share capital of its wholly owned subsidiary, Westlite Juniper (Mandai) Pte. Ltd. (formerly known as Westlite Dormitory (V Three) Pte. Ltd.) for a total cash consideration of SGD770,000. After the subscription, the issued and paid-up share capital of Westlite Juniper (Mandai) Pte. Ltd. has increased to SGD800,000.

The Company's directly owned subsidiary, Centurion Dormitories Pte. Ltd. has acquired an additional 500,000 shares of its wholly owned subsidiary, Westlite Dormitory Management Pte. Ltd. for a consideration of SGD500,000. After the acquisition, the issued and paid-up share capital of Westlite Dormitory Management Pte Ltd has increased to SGD4,000,000.

The Company's directly owned subsidiary, Centurion Overseas Investments Pte. Ltd. has subscribed an additional 6,000,000 shares of its wholly owned subsidiary, Centurion Overseas Ventures Ltd for a consideration of AUD6,000,000 by way of capitalisation of loan granted to its subsidiary.

(d) Incorporation of subsidiaries

On 15 August 2019, the Group established a wholly owned subsidiary known as Centurion Investments (BV) Ltd in British Virgin Islands through its wholly owned subsidiary, Centurion Overseas Investments Pte. Ltd. with an issued share capital of GBP10,000.

On 14 November 2019, the Group incorporated a wholly owned subsidiary, Westlite Dormitory (V Six) Pte. Ltd. in Singapore through its wholly owned subsidiary, Centurion Dormitory Venture Pte. Ltd. with an issued share capital of SGD1,000.

(e) Striking-off of subsidiaries

Two indirectly wholly owned subsidiaries, Summit Printing (Australia) Pty Ltd and Clean2Go Laundry Pte. Ltd. have been voluntarily struck-off during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) Carrying value of non-controlling interests

	Group	
	2019 $'000	**2018 $'000**
Centurion-Lian Beng (Papan) Pte. Ltd.	**22,192**	17,882
Dwell US Student Living LLC	**–**	(179)
CSL Student Living Benikea KP Ltd	**(518)**	(67)
	21,674	17,636

On 5 November 2018, the Group acquired 55% of the issued shares of CSL Student Living Benikea KP Ltd for a purchase consideration of $6,761. The carrying amount of the non-controlling interests in CSL Student Living Benikea KP Ltd on the date of acquisition was $5,532.

On 11 March 2019, the Group acquired the remaining 40% of the issued shares of Dwell US Student Living LLC through a wholly owned subsidiary, Centurion Accommodation Management Pte Ltd for a purchase consideration of $1.35. The Group now holds 100% of the equity share capital of Dwell US Student Living LLC. The carrying amount of the non-controlling interests on the date of acquisition was $202,000. The Group derecognised non-controlling interests of $202,000 and recorded a decrease in equity attributable to owners of the parent of $202,000. The effect of changes in the ownership interest of Dwell US Student Living LLC on the equity attributable to owners of the Company during the year is summarised as follows:

	2019 $'000
Carrying amount of non-controlling interest acquired	**(202)**
Consideration paid to non-controlling interest	**–**
Decrease in parent's equity	**(202)**

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	
	2019 $'000	**2018 $'000**
Current		
Assets	**10,402**	13,470
Liabilities	**(21,582)**	(20,794)
Total current net liabilities	**(11,180)**	(7,324)
Non-current		
Assets	**224,960**	200,779
Liabilities	**(168,486)**	(156,961)
Total non-current net assets	**56,474**	43,818
Net assets	**45,294**	36,494

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) Carrying value of non-controlling interests (Continued)

Summarised statement of comprehensive income

	Centurion-Lian Beng (Papan) Pte Ltd For year ended 31 December	
	2019 $'000	2018 $'000
Revenue	**27,248**	27,060
Profit before income tax	**10,958**	12,515
Income tax expense	**(2,159)**	(2,252)
Profit after tax and total comprehensive income	**8,799**	10,263
Total comprehensive income allocated to non-controlling interests	**4,312**	5,029

No dividends were paid to non-controlling interests in the current and prior financial years.

Summarised cash flows

	Centurion-Lian Beng (Papan) Pte Ltd For year ended 31 December	
	2019 $'000	2018 $'000
Net cash provided by operating activities	**15,474**	13,477
Net cash provided by/(used in) investing activities	**16**	(25)
Net cash used in financing activities	**(18,277)**	(13,518)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. INVESTMENT PROPERTIES

	Group 2019 $'000	Group 2018 $'000
Beginning of financial year	**1,097,191**	952,345
Adoption of IFRS 16 (Note 2.3)	**40,857**	–
Currency translation differences	**4,568**	(21,243)
Additions to investment properties	**66,771**	116,503
Over provision of construction costs	**–**	(30)
Net fair value gain recognised in profit or loss	**66,492**	47,836
Transferred from assets held for sale (Note 17)	**–**	1,780
End of financial year	**1,275,879**	1,097,191

Investment properties are leased to non-related parties under operating leases (Note 37(c)).

Included in additions are acquisition of an investment property of $26,974,000 (2018: $35,012,000) and capitalised expenditure of $10,788,000 (2018: $81,491,000).

Certain investment properties and assets held for sale are pledged as security for the bank facilities extended to subsidiaries (Note 28(a)). The carrying values of these investment properties and assets held for sale (Note 17) amounted to approximately $1,200,451,000 (2018: $1,094,800,000).

Reconciliation of fair value of investment properties

	Group 2019 $'000	Group 2018 $'000
Fair value of investment properties (on net basis)	**1,210,167**	1,097,191
Add:		
Carrying amount of lease liabilities	**65,712**	–
Carrying amount of investment properties	**1,275,879**	1,097,191

The fair value of investment properties as at 31 December 2018 had not been adjusted for the carrying amount of lease liabilities, as the adoption of IFRS 16 was applied from 1 January 2019.

The following amounts are recognised in profit or loss:

	Group 2019 $'000	Group 2018 $'000
Rental income (Note 4)	**124,940**	108,367
Direct operating expenses arising from:		
– Investment properties that generated rental income	**(42,003)**	(34,659)
– Investment properties that do not generate rental income	**–**	(138)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. INVESTMENT PROPERTIES (CONTINUED)

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
14 to 28 Toh Guan Road East, Singapore	8 blocks of workers dormitory	Commercial dormitory	Leasehold	38 years
2 Woodlands Sector 2, Singapore	Two 13-storey blocks of workers dormitory	Commercial dormitory	Leasehold	24 years
5, 5C & 5D Jalan Papan, Singapore	2 blocks of workers dormitory	Commercial dormitory	Leasehold	18 years
23 Mandai Estate, Singapore	2 blocks of 6-storey block of workers dormitory under lease	Commercial dormitory	Leasehold	9.5 years
1A Short Street, Singapore	10-storey students accommodation under lease	Student accommodation	Leasehold	3.5 years
PLO 46, No. 38, Jalan Teknologi 5, Taman Teknologi Johor, 81400 Senai, Johor, Malaysia	5 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	92 years
PLO 250, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Malaysia	2 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	41 years
Block Nos. 72, 73, 74, 75 & 78, Off Jalan Tembusu, Taman Air Biru, 81700 Pasir Gudang, Johor, Malaysia	5 blocks of workers dormitory	Commercial dormitory	Leasehold	66 years
Lot 2051, No. 6, Jalan Bayu, Taman Perindustrian Tampoi Jaya, 81200 Johor Bahru, Malaysia	3 blocks of workers dormitory	Commercial dormitory	Freehold	–
Lot No. 6212, Jalan Perindustrian 2, Kawasan Perindustrian Senai II, 81400 Senai, Johor, Malaysia	2 blocks of workers dormitory	Commercial dormitory	Freehold	–
Lot No. 6214, Jalan Perindustrian 2, Kawasan Perindustrian Senai II, 81400 Senai, Johor, Malaysia	5 blocks of workers dormitory	Commercial dormitory	Freehold	–
No. 38 Jalan Perniagaan Seri Tambun, Taman Westlite Dormitory Bukit Tambun, 14100 Simpang Ampat, Penang, Malaysia	3 blocks of workers dormitory	Commercial dormitory	Freehold	–
4, 5 Industrial Building, No. 558 Gangye Road, Xiaokunshan Town, Songjiang District, Shanghai, China	Industrial factory building	Factory rental	Leasehold	34.5 years
RMIT Village Student Accommodation Melbourne, 5 – 17 Flemington Road, North Melbourne VIC 3051 Australia	Accommodation with 456 beds	Student accommodation	Freehold	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. INVESTMENT PROPERTIES (CONTINUED)

At the balance sheet date, the details of the Group's investment properties are as follows: (Continued)

Location	Description	Existing use	Tenure	Unexpired term of lease
RMIT Village Car Park Site Melbourne, 5 – 17 Flemington Road, North Melbourne VIC 3051 Australia	Commercial car park	Commercial car park	Freehold	–
Manchester Student Village, Lower Chatham Street, Manchester, M1 5SX, United Kingdom	Two 9-storey blocks and a 7-storey block	Student accommodation	Freehold	–
MSV South, 357A Great Western Street, Manchester, M14 4AH, 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, 60 Grafton Street, Manchester, M13 9NU, United Kingdom	1 block consisting of 55 flats with 145 beds	Student accommodation	Freehold	–
Cathedral Campus, 1 Dean Patey Court, Cathedral Gate, Off Upper Duke Street, Liverpool, L1 7BT, United Kingdom	Eighty seven 3-storey houses arranged in 14 terraced blocks around 3 courtyard areas	Student accommodation	Leasehold	238 years
Garth Heads, Melbourne Street, Newcastle-Upon-Tyne, NE1 2JE, United Kingdom	4 blocks consisting of 34 flats with 181 beds	Student accommodation	Leasehold	101 years
Hotwells House, 192-216 Hotwell Road, Bristol, BS8 4UR, United Kingdom	4 blocks consisting of 40 flats with 157 beds	Student accommodation	Leasehold	115 years
Weston Court, 45-47 Cromwell Range, Fallowfield, Manchester, M14 6HH, United Kingdom	4 blocks consisting of flats with 140 beds	Student accommodation	Leasehold	115 years
121 Princess Street, Manchester, M1 7AG, United Kingdom	1 block consisting of 126 flats with 127 beds	Student accommodation	Freehold	–
Archer House, 14-22 Castle Gate, Nottingham, NG1 7AW, United Kingdom	177 beds arranged within 14 cluster flats and 93 studios	Student accommodation	Freehold	–
Castle Gate Haus, 32-44 (even), Castle Gate, Nottingham, NG1 7AT, United Kingdom	133 beds arranged across 4 interlinking blocks within 81 cluster flats and 69 studios under lease	Student accommodation	Leasehold	5 years
44-46 Anderson Street, Port Headland WA 6721 Australia	Land	Industrial	Freehold	–
Jl. Wareng Kalijambe, Lambang Sari Village, Subdistrict of Tambun Selatan, Bekasi, West Java, Indonesia	Land	Residential	Leasehold	24 years
12 – 18 Synagogue Place Adelaide, South Australia	260 bedrooms of accommodation with 280 beds	Student accommodation	Freehold	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy – Recurring fair value measurements

Description	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000
31 December 2019			
Investment properties:			
– Land and industrial property	**–**	**–**	**6,742**
– Commercial dormitories	**–**	**–**	**767,619**
– Student accommodation	**–**	**–**	**501,518**
– Assets held for sale (Note 17)	**–**	**–**	**4,138**
31 December 2018			
Investment properties:			
– Land and industrial property	–	–	6,734
– Commercial dormitories	–	–	641,648
– Student accommodation	–	–	448,809
– Assets held for sale (Note 17)	–	–	4,301

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 2019			
Beginning of financial year	**648,382**	**448,809**	**4,301**
Adoption of IFRS 16	**27,456**	**13,401**	**–**
Currency translation differences	**(1,036)**	**5,604**	**63**
Fair value gains/(losses) recognised in profit or loss	**66,445**	**47**	**(226)**
Additions on investment property	**33,114**	**33,657**	**–**
End of financial year	**774,361**	**501,518**	**4,138**
31 December 2018			
Beginning of financial year	646,549	305,796	5,472
Currency translation differences	(600)	(20,643)	(108)
Fair value (losses)/gains recognised in profit or loss	(12,171)	60,007	717
Additions and subsequent expenditure on investment property	12,854	103,649	–
Over provision of construction cost	(30)	–	–
Transferred from assets held for sale	1,780	–	(1,780)
End of financial year	648,382	448,809	4,301

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. There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 December 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. 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 2019 ($'000)	Valuation technique	Unobservable inputs[a]	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Singapore	Commercial dormitories	615,000 (2018: 549,000)	Income capitalisation approach	Rental rate per room per month	$2,400 to $8,800 (2018: $2,100 – $8,640)	The higher the rental rate per room per month, the higher the valuation
				Capitalisation rate	6.8% – 7.2% (2018: 6.8% – 7.4%)	The higher the capitalisation rate, the lower the valuation
				Cost to complete	$17,100,000 (2018: not applicable)	The higher the cost to complete, the lower the valuation
Indonesia	Land	1,112 (2018: 1,055)	Sales comparison approach	Market value per square metre	$153 (2018: $147)	The higher the market value per square metre, the higher the valuation
People's Republic of China	Industrial property	4,821 (2018: 4,910)	Income capitalisation approach	Rental rate per square metre per month	$7 – $9 (2018: $7 – $8)	The higher the rental rate per square metre, the higher the valuation
				Capitalisation rate	5.5% (2018: 6.0% – 6.3%)	The higher the capitalisation rate, the lower the valuation
			Sales comparison approach	Market value per square metre	$465 – $488 (2018: $465 – $488)	The higher the market value per square metre, the higher the valuation
Malaysia	Commercial dormitories	97,756 (2018: 92,648)	Income capitalisation approach	Rental rate per room per month	$533 – $886 (2018: $535 – $880)	The higher the rental rate per room per month, the higher the valuation
	Assets held for sale (Note 17)	1,482 (2018: 1,484)		Capitalisation rate	9.5% – 10.3% (2018: 9.5% – 10%)	The higher the capitalisation rate, the lower the valuation
			Cost approach	Market price per square metre	Not applicable (2018: $500 to $550)	The higher the market value per square metre, the higher the valuation
			Sales comparison approach	Market value per square metre	$170 – $175 (2018: $170 – $175)	The higher the market value per square metre, the higher the valuation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurement (Continued)

Country	Description	Fair value at 31 December 2019 ($'000)	Valuation technique	Unobservable inputs[a]	Range of unobservable inputs	Relationship of unobservable inputs to fair value
United Kingdom	Student accommodation	332,091 (2018: 295,658)	Income capitalisation approach	Rental rate per room per week	$148 – $400 (2018: $160 – $470)	The higher the rental rate per room per week, the higher the valuation
	Assets held for sale (Note 17)	2,656 (2018: 2,817)		Capitalisation rate	5.5% – 6.8% (2018: 5.5% – 8.5%)	The higher the capitalisation rate, the lower the valuation
Australia	Land	809 (2018: 769)	Sales comparison approach	Market price per square metre	$175 to $190 (2018: $180 – $190)	The higher the market price per square metre, the higher the valuation
Australia	Student accommodation	158,578 (2018: 153,151)	Discounted cash flow approach	Discount rate	9.0% – 9.4% (2018: 9.0% – 9.4%)	The higher the discount rate, the lower the valuation
			Income capitalisation approach	Rental rate per room per week	$294 – $502 (2018: $300 – $500)	The higher the rental rate per room per week, the higher the valuation
				Capitalisation rate	6.2% to 6.3% (2018: 7.0%)	The higher the capitalisation rate, the lower the valuation
			Sales comparison approach	Market value per square metre	$5,067 – $31,570 (2018: $5,242 – $33,618)	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 2019, the fair values of the properties have been determined by Suntec Real Estate Consultants Pte Ltd, KJPP Billy Anthony Lie & Rekan, Shanghai Cairui Real Estate Land Appraisal Co., Ltd, Henry Butcher Malaysia (Penang) Sdn Bhd, Savills Valuations Pty Ltd, LMW (WA) Pty Ltd, CBRE Valuations Pty Limited, Cushman & Wakefield Debenham Tie Leung Limited, Knight Frank Malaysia Sdn Bhd and Knight Frank Pte Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

22. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group (Continued)

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.

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, lease payments and property tax, and after making allowances for vacancies.

Income capitalisation approach involves capitalising the net income at an appropriate capitalisation rate to arrive at the fair value. The net income is derived by deducting outgoings such as operating expenses, lease payments and property tax, and after making allowances for vacancies from gross rentals and other income.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

23. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building $'000	Leased office space and 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								
2019								
Cost								
Beginning of financial year	682	1,530	3,473	10,575	447	1,437	130	18,274
Currency translation differences	(1)	–	1	(22)	2	(1)	–	(21)
Additions	–	1,482	824	2,447	–	179	243	5,175
Disposals	–	–	(145)	(1,740)	(19)	(6)	–	(1,910)
Reclassification	–	–	6	–	–	87	(93)	–
End of financial year	681	3,012	4,159	11,260	430	1,696	280	21,518
Accumulated depreciation								
Beginning of financial year	12	650	1,003	5,926	218	815	–	8,624
Currency translation differences	–	–	3	(3)	1	(1)	–	–
Disposals	–	–	(109)	(1,598)	(19)	(5)	–	(1,731)
Depreciation charge (Note 5)	5	261	602	1,868	57	320	–	3,113
End of financial year	17	911	1,499	6,193	257	1,129	–	10,006
Accumulated impairment								
Beginning of financial year	–	–	1,322	–	53	–	–	1,375
Disposals	–	–	(12)	–	–	–	–	(12)
End of financial year	–	–	1,310	–	53	–	–	1,363
Net book value								
End of financial year	**664**	**2,101**	**1,350**	**5,067**	**120**	**567**	**280**	**10,149**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	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								
2018								
Cost								
Beginning of financial year	683	1,525	3,556	8,922	512	1,144	13	16,355
Currency translation differences	(1)	–	(24)	(145)	(3)	(12)	–	(185)
Additions	–	5	290	1,783	–	321	153	2,552
Disposals	–	–	(243)	(126)	(62)	(17)	–	(448)
Reclassification	–	–	(106)	141	–	1	(36)	–
End of financial year	682	1,530	3,473	10,575	447	1,437	130	18,274
Accumulated depreciation								
Beginning of financial year	8	451	733	4,160	172	497	–	6,021
Currency translation differences	–	–	(12)	(94)	(3)	(5)	–	(114)
Disposals	–	–	(203)	(109)	(42)	(15)	–	(369)
Depreciation charge (Note 5)	4	199	588	1,866	91	338	–	3,086
Reclassification	–	–	(103)	103	–	–	–	–
End of financial year	12	650	1,003	5,926	218	815	–	8,624
Accumulated impairment								
Beginning and end of financial year	–	–	1,322	–	53	–	–	1,375
Net book value								
End of financial year	**670**	**880**	**1,148**	**4,649**	**176**	**622**	**130**	**8,275**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leased office space $'000	Plant, machinery and equipment $'000	Renovation, furniture and fittings $'000	Motor vehicles $'000	Office equipment and computers $'000	Total $'000
Company						
2019						
Cost						
Beginning of financial year	–	6	1,426	171	978	2,581
Additions	1,477	–	52	–	25	1,554
Disposal	(374)	–	–	–	–	(374)
End of financial year	1,103	6	1,478	171	1,003	3,761
Accumulated depreciation						
Beginning of financial year	–	6	993	59	778	1,836
Depreciation charge	61	–	114	34	85	294
End of financial year	61	6	1,107	93	863	2,130
Net book value						
End of financial year	**1,042**	**–**	**371**	**78**	**140**	**1,631**
2018						
Cost						
Beginning of financial year	–	6	1,389	541	858	2,794
Additions	–	–	37	–	120	157
Disposal	–	–	–	(370)	–	(370)
End of financial year	–	6	1,426	171	978	2,581
Accumulated depreciation						
Beginning of financial year	–	6	885	368	698	1,957
Depreciation charge	–	–	108	47	80	235
Disposal	–	–	–	(356)	–	(356)
End of financial year	–	6	993	59	778	1,836
Net book value						
End of financial year	**–**	**–**	**433**	**112**	**200**	**745**

(a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 24(a).

(b) The freehold land and building of the Group as at 31 December 2019 comprise:

Location	Use of property
Malaysia No. 17, Jalan Ekoperniagaan 1/23 Taman Ekoperniagaan 81100 Johor Bahru, Johor	Office

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

24. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities – Group as a lessee

Property

The Group leases office space for the purpose of back office operations for a tenure of 3 years.

Leasehold land and building

The Group makes periodic lease payments for leasehold land and buildings. Some of these leases have escalation clauses and extension options. The right-of-use of these leasehold land and buildings are classified as investment properties (Note 22).

There are no externally imposed covenant on these lease arrangements.

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	31 December 2019 $'000	1 January 2019 $'000
Leased office space	**1,416**	–

ROU assets classified within Investment properties

The right-of-use asset relating to the leasehold land and buildings presented under investment properties (Note 22) is stated at fair value and has a carrying amount at balance sheet date of $65,712,000.

(b) Depreciation charge during the year

	2019 $'000
Leased office space	**61**

(c) Interest expense

	2019 $'000
Interest expense on lease liabilities	**1,609**

(d) Lease expense not capitalised in lease liabilities

	2019 $'000
Lease expense – short-term leases	**2,108**
Lease expense – low-value leases	**164**
Variable lease payments which do not depend on an index or rate	**262**
Total (Note 5)	**2,534**

(e) Total cash outflow for all the leases in 2019 was $8,465,000.

(f) Addition to ROU assets during the financial year 2019 was $30,486,000, of which $29,009,000 relates to investment properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

24. LEASES – THE GROUP AS A LESSEE (CONTINUED)

(g) Variable lease payments not capitalised in lease liabilities

The lease for one leasehold land contains variable lease payments that are based on 0.5% of revenue, on top of fixed payments. Such variable lease payments are recognised to profit or loss when incurred and amounted to $262,000 (Note (d)) for the financial year ended 31 December 2019.

(h) Extension options on leases

The Group has extension options on the leases for certain student and workers accommodations. The Group's lease liabilities, which are measured with reference to estimate of the respective lease terms, included undiscounted cash outflows amounting to $4,416,000 relating to extension option.

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

For students and workers accommodations, the following factors are considered to be most relevant:

- Whether leasehold improvements undertaken (or expected to be undertaken) are expected to have significant remaining value by the time the extension option is exercisable;
- Importance of that underlying asset to the Group's students and workers accommodation businesses, taking into consideration the location and availability of suitable alternatives; and
- Other factors, including (but not limited to) the Group's historical lease period for similar assets, costs required to secure suitable alternatives, and business disruption.

The above assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances that is within the control of the lessee occurs and affects the original assessment.

As at 31 December 2019, potential future (undiscounted) cash outflows capped at approximately $18,500,000 have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

25. LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their owned investment properties to third parties for monthly lease payments. To reduce credit risk, the Group obtains security deposits for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 22.

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangement in which it subleases out accommodation space to third parties for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as an operating leases.

Income from subleasing during the financial year was $8,256,000 (2018: $3,409,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

25. LEASES – THE GROUP AS A LESSOR (CONTINUED)

Nature of the Group's leasing activities – Group as an intermediate lessor (Continued)

Subleases – classified as operating leases (Continued)

Undiscounted lease payments from the operating leases to be received by the Group as a lessor after the reporting date are as follows:

	31 December 2019 $'000	1 January 2019 $'000
Less than one year	**72,636**	73,769
One to two years	**7,461**	15,534
Two to three years	**733**	1,105
Three to four years	**540**	540
Four to five years	**540**	540
More than five years	**7,065**	9,870
Total undiscounted lease payment	**88,975**	101,358

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade payables to:				
– non-related parties	**1,474**	3,945	**106**	89
– associated companies	**677**	292	**–**	–
	2,151	4,237	**106**	89
Non-trade payables to:				
– associated companies	**107**	116	**–**	–
– subsidiaries	**–**	–	**8,053**	11,178
Advanced rental	**7,957**	7,513	**–**	–
Deferred income	**369**	44	**–**	–
Deposits received	**15,197**	13,286	**–**	–
Accruals for operating expenses	**10,496**	11,049	**3,126**	3,602
Accrued construction costs payable	**575**	2,984	**–**	–
Other payables	**3,644**	2,672	**370**	497
Total trade and other payables	**40,496**	41,901	**11,655**	15,366

Non-trade payables to subsidiaries and associated companies are unsecured, interest free and repayable on demand.

At 31 December 2018 and 2019, 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	
	2019 $'000	2018 $'000
Up to 3 months	**1,644**	3,562
3 to 6 months	**90**	51
Over 6 months	**417**	624
	2,151	4,237

NOTES TO THE FINANCIAL STATEMENTS

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27. OTHER LIABILITIES

	Group	
	2019 $'000	2018 $'000
Non-current		
Provision for long service leave (Note (a))	**45**	47
Provision for reinstatement costs	**50**	48
Deferred revenue	**36**	–
Accrued rental expenses	**–**	261
	131	356

(a) The movement in provision for long service leave during the financial year is as follows:

	Group	
	2019 $'000	2018 $'000
Beginning of financial year	**47**	42
Currency translation differences	**(1)**	(4)
Reversal of unutilised amounts	**(6)**	–
Provision made	**5**	9
End of financial year	**45**	47

(b) At the balance sheet date, the carrying amounts of the other non-current liabilities approximate their fair values.

28. BORROWINGS

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Bank overdrafts (Note 12)	**955**	–	**–**	–
Bank borrowings (Note (a))	**50,437**	42,046	**4,900**	1,250
Finance lease liabilities (Note (c) and Note 30)	**–**	9	**–**	–
Loan from an associated company (Note (d))	**3,008**	–	**–**	–
Interest payable	**1,380**	939	**1,380**	939
	55,780	42,994	**6,280**	2,189
Non-current				
Bank borrowings (Note (a))	**577,211**	560,985	**47,850**	48,750
Loan from non-controlling interests (Note (e))	**7,150**	6,517	**–**	–
Loan from an associated company (Note (d))	**39,320**	43,189	**–**	–
Loan from a subsidiary (Note (e))	**–**	–	**28,000**	28,000
Notes payables (Note (b))	**60,000**	85,000	**60,000**	85,000
Less: Transaction costs	**(422)**	(288)	**(422)**	(288)
	59,578	84,712	**59,578**	84,712
	683,259	695,403	**135,428**	161,462
Total borrowings	**739,039**	738,397	**141,708**	163,651

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

28. BORROWINGS (CONTINUED)

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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
– not later than one year	**55,780**	42,994	**6,280**	2,189
– between one to five years	**448,636**	426,881	**107,428**	133,462
– after five years	**234,623**	268,522	**28,000**	28,000
	739,039	738,397	**141,708**	163,651

At 31 December 2019 and 2018, the Group's and Company's bank borrowings are repayable as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Within one year	**51,392**	42,046	**4,900**	1,250
Between one and two years	**83,014**	87,003	**36,650**	2,500
Between two and five years	**274,639**	228,182	**11,200**	46,250
After five years	**219,558**	245,800	**–**	–
	628,603	603,031	**52,750**	50,000

At 31 December 2019 and 2018, the Group's and the Company's other loans are repayable as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Within one year	**4,388**	948	**1,380**	939
Between one and two years	**7,656**	88,581	**–**	84,712
Between two and five years	**83,327**	23,115	**59,578**	–
After five years	**15,065**	22,722	**28,000**	28,000
	110,436	135,366	**88,958**	113,651

(a) Bank borrowings

Bank borrowings are subject to floating interest rates of which $123,982,000 (31 December 2018: $nil) are managed with interest rate swaps where floating interest rates are swapped into fixed interest rates (Note 31). The carrying amounts of the non-current borrowings approximate their fair values.

Total borrowings include secured liabilities of $575,853,000 (2018: $603,039,000) for the Group. These borrowings are secured over certain bank deposits (Note 12), investment properties (Note 22) and assets held for sale (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

28. BORROWINGS (CONTINUED)

(b) Notes payables

On 29 March 2018, the Company updated and renamed its $500,000,000 Multicurrency Medium Term Note ("MTN") programme established on 6 September 2013 and last updated on 7 October 2016 to a $750,000,000 Multicurrency Debt Issuance programme.

On 7 January 2019, the Company issued an Exchange Offer invitation ("Invitation"), offering the holders of its outstanding $85,000,000 fixed rate notes due 2020 comprised in Series 003 (the "Existing Notes") to exchange any and all outstanding Existing Notes for a like principal amount of fixed rate notes due 2022 to be issued pursuant to its $750,000,000 Multicurrency Debt Issuance programme (the "Programme").

On 1 February 2019, the Company issued $56,000,000 fixed rate notes due 2022 (the "Series 004 Notes") under the Programme, comprising $48,750,000 in aggregate principal amount issued pursuant to the Invitation and $7,250,000 in aggregate principal amount of additional notes. The Series 004 Notes will bear interest as follows:

(i) for the period from, and including 1 February 2019 to, but excluding, 1 February 2021: 5.5% per annum; and

(ii) so long as the Series 004 Notes are not redeemed, for the period from, and including, 1 February 2021: 8.0% per annum payable semi-annually in arrears.

Unless previously redeemed or purchased and cancelled, the Series 004 Notes shall mature on 1 February 2022.

On 7 March 2019, the Company issued $4,000,000 fixed rate notes due 2022 comprised in Series 004 Tranche 002 (the "Series 004 Tranche 002 Notes") under the Programme. The Series 004 Tranche 002 Notes are consolidated and form a single series with the Series 004 Notes issued on 1 February 2019 and accordingly, the aggregate principal amount of notes comprised in Series 004 is $60,000,000.

The net proceeds arising from the Series 004 Notes (after deducting for issue expenses) has been fully utilised to redeem Series 003 Notes. On 12 April 2019, the Group has fully redeemed $85,000,000 Series 003 Notes due 2020.

As at 31 December 2019 and 2018, the Group and the Company are in compliance with all relevant financial covenants and the borrowings have been classified and presented appropriately based on the agreed terms.

(c) Finance lease liabilities

As at 31 December 2018, the finance lease liabilities were secured on certain property, plant and equipment purchased under finance leases of the Group (Note 23). The Group's weighted average effective interest rate of finance lease liabilities as at 31 December 2018 was 2.72% per annum. The carrying amounts of the finance lease liabilities approximated their fair values.

Finance lease liabilities were reclassified to lease liabilities (Note 29) on 1 January 2019 arising from the adoption of IFRS 16.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

28. 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 approximate 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 fixed terms of repayment. The interest on the loan is calculated based on the floating rates, except for part of the loan from non-controlling interests amounting to $780,000 (2018: $147,000) which is calculated based on fixed rates. The carrying amounts of the non-current borrowings approximate their fair values.

(f) Fair value of current and non-current borrowings

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Notes payables	**60,075**	83,411	**60,075**	83,411

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.

29. LEASE LIABILITIES

The exposure of the lease liabilities of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
– not later than one year	**6,738**	–	**478**	–
– between one to five years	**27,542**	–	**921**	–
– after five years	**32,630**	–	**–**	–
	66,910	–	**1,399**	–

30. FINANCE LEASE LIABILITIES

	Group 2018 $'000
Minimum lease payments due:	
– Not later than one year	10
Less: Future finance charges	(1)
Present value of finance lease liabilities	9

The present value of finance lease liabilities are analysed as follows:

Not later than one year (Note 28)	9

Finance lease liabilities were reclassified to lease liabilities on 1 January 2019 arising from the adoption of the IFRS 16. See note 2.3 for further information about the change in accounting policy for leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

31. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Company		
	Contract notional amount	Fair value		Contract notional amount	Fair value	
		Asset	Liability		Asset	Liability
	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2019						
Derivatives held for hedging:						
Cash-flow hedges						
– Interest rate swaps (non-current)	**123,982**	**–**	**(1,638)**	**20,000**	**–**	**(276)**

Hedging instruments used in Group's hedging strategy in 2019

	Contractual notional amount $'000	Carrying Amount: Assets/ (Liabilities) $'000	Carrying Amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged Item $'000	Hedge ineffectiveness recognised in P&L* $'000	Weighted average hedged rate	Maturity date
Group								
Cash flow hedge								
Interest rate risk								
– Interest rate swap to hedge floating rate borrowings	**123,982**	**(1,638)**	**Derivative financial instrument**	**(1,638)**	**1,638**	**–**	**1.82%**	**November 2021 to October 2024**
Company								
Cash flow hedge								
Interest rate risk								
– Interest rate swap to hedge floating rate borrowings	**20,000**	**(276)**	**Derivative financial instrument**	**(276)**	**276**	**–**	**1.94%**	**November 2021 to October 2022**

* All hedge ineffectiveness and costs of hedging are recognised in profit and loss within "other (losses)/gains".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

32. 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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Deferred income tax liabilities	**9,796**	8,117	**81**	87

Movement in the deferred income tax account is as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Beginning of financial year	**8,117**	4,095	**87**	47
Currency translation differences	**(87)**	(343)	**–**	–
Charged/(credited) to profit or loss (Note 10(a))	**1,766**	4,365	**(6)**	40
End of financial year	**9,796**	8,117	**81**	87

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 $8,043,000 (2018: $7,079,000) and capital allowances of $1,222,000 (2018: $407,000) 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 $'000	Fair value gain-net $'000	Total $'000
2019			
Beginning of financial year	**503**	**7,614**	**8,117**
Currency translation differences	**16**	**(103)**	**(87)**
Charged to profit or loss	**698**	**1,068**	**1,766**
End of financial year	**1,217**	**8,579**	**9,796**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

32. DEFERRED INCOME TAXES (CONTINUED)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows: (Continued)

Group (Continued)

Deferred income tax liabilities (Continued)

	Accelerated tax depreciation $'000	Fair value gain-net $'000	Total $'000
2018			
Beginning of financial year	656	3,560	4,216
Currency translation differences	(3)	(337)	(340)
(Credited)/charged to profit or loss	(150)	4,391	4,241
End of financial year	503	7,614	8,117

Deferred income tax assets

	Provisions $'000
2018	
Beginning of financial year	(121)
Currency translation differences	(3)
Charged to profit or loss	124
End of financial year	–

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000
2019	
Beginning of financial year	**87**
Credited to profit or loss	**(6)**
End of financial year	**81**
2018	
Beginning of financial year	47
Charged to profit or loss	40
End of financial year	87

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. SHARE CAPITAL AND TREASURY SHARES

	Group and Company No. of ordinary shares Issued share capital '000	Group Share capital $'000	Company Share capital $'000
2019			
Beginning and end of financial year	**840,779**	**142,242**	**253,553**
2018			
Beginning and end of financial year	840,779	142,242	253,553

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 IFRS 3 *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.

34. OTHER RESERVES

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
(a) Composition				
Fair value reserve	**(150)**	(707)	**(150)**	(557)
Hedging reserve	**(1,674)**	–	**(275)**	–
Currency translation reserve	**(46,201)**	(48,924)	**–**	–
Capital reserve	**16,893**	17,095	**–**	–
	(31,132)	(32,536)	**(425)**	(557)
(b) Movements				
(i) Fair value reserve				
Beginning of financial year	**(707)**	(86)	**(557)**	64
Fair value gains/(losses) on financial assets, at FVOCI (Note 16)	**386**	(633)	**386**	(633)
Reclassification to profit or loss on disposal (Note 7)	**171**	12	**21**	12
End of financial year	**(150)**	(707)	**(150)**	(557)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. OTHER RESERVES (CONTINUED)

(b) Movements (Continued)

	Group – Interest rate risk 2019 $'000	Group – Interest rate risk 2018 $'000	Company – Interest rate risk 2019 $'000	Company – Interest rate risk 2018 $'000
(ii) Hedging reserve				
Beginning of financial year	**–**	–	**–**	–
Fair value losses	**(1,782)**	–	**(307)**	–
Reclassification to profit or loss – Finance expense (Note 8)	**144**	–	**32**	–
Share of fair value losses from associates	**(36)**	–	**–**	–
End of financial year	**(1,674)**	–	**(275)**	–

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
(iii) Currency translation reserve				
Beginning of financial year	**(48,924)**	(35,626)	**–**	–
Net exchange differences on translation of financial statements of foreign subsidiaries, associated companies and joint venture	**2,723**	(13,298)	**–**	–
End of financial year	**(46,201)**	(48,924)	**–**	–

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
(iv) Capital reserve				
Beginning of financial year	**17,095**	17,095	**–**	–
Redemption of non-controlling interest in subsidiary	**(202)**	–	**–**	–
End of financial year	**16,893**	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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

35. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for the accumulated retained profits of associated companies and a joint venture amounting to $71,274,000 (2018: $78,657,000) which are included in the Group's retained profits.

(b) Movement in retained profits for the Company is as follows:

	Company	
	2019 $'000	2018 $'000
Beginning of financial year	**17,942**	20,152
Net profit	**27,297**	18,809
Dividends paid (Note 36)	**(16,816)**	(21,019)
End of financial year	**28,423**	17,942

36. DIVIDENDS

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Ordinary dividends paid				
Interim exempt dividend paid in respect of current financial year of 1.0 cent (2018: 1.0 cent) per share	**8,408**	8,408	**8,408**	8,408
Final exempt dividend paid in respect of the previous financial year of 1.0 cent (2018: 1.0 cent) per share	**8,408**	8,408	**8,408**	8,408
Special dividends paid				
Special exempt dividend paid in respect of the previous financial year of nil cent (2018: 0.5 cent) per share	**–**	4,203	**–**	4,203
	16,816	21,019	**16,816**	21,019

At the Annual General Meeting on 27 April 2020, a final dividend of 1.0 cent per share amounting to a total of $8,408,000 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 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

37. 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	
	2019 $'000	2018 $'000
Property, plant and equipment	**86**	–
Investment properties	**8,613**	4,966

(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.

As at 31 December 2018, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	Group $'000	Company $'000
Not later than one year	6,752	455
Between one and five years	27,966	–
Later than five years	48,210	–
	82,928	455

As disclosed in Note 2.3, the Group has adopted IFRS 16 on 1 January 2019. These lease payments have been recognised as ROU assets within investment properties and property, plant and equipment and lease liabilities on the balance sheet as at 31 December 2019, except for short-term and low value leases.

(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.

As at 31 December 2018, 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 $'000	Company $'000
Not later than one year	73,769	115
Between one and five years	17,719	–
More than five years	9,870	–
	101,358	115

On 1 January 2019, the Group has adopted IFRS 16 and the undiscounted lease payments from the operating leases to be received after 31 December 2019 is disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

37. COMMITMENTS (CONTINUED)

(d) Corporate guarantees

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to associated companies and a joint venture amounting to $76,965,000 (2018: $80,524,000). As at 31 December 2019, the amount of the guaranteed loans drawn down by associated companies and a joint venture amounted to $75,467,000 (2018: $79,026,000).

The Company has provided corporate guarantees in favour of financial institutions in respect of facilities granted to subsidiaries, associated companies and a joint venture amounting to $580,989,000 (2018: $591,601,000). As at 31 December 2019, the amount of the guaranteed loans drawn down by the subsidiaries, associated companies and a joint venture amounted to $573,430,000 (2018: $577,805,000).

As at 31 December 2019, 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 the current and prior financial years.

38. 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, the United States of America, and South Korea.

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"), Hong Kong Dollar ("HKD"), and Korean Won ("KRW"). 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 2019

38. 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	KRW $'000	Other $'000	Total $'000
2019									
Financial assets									
Cash and bank balances	28,133	717	1,966	5,927	9,906	15	847	1,077	48,588
Financial assets, at FVOCI	6,046	3,119	–	–	–	–	–	–	9,165
Financial assets through profit or loss	–	49	–	–	107	–	–	–	156
Trade and other receivables	2,990	1,046	2,321	720	968	–	15	–	8,060
Other financial assets	1,811	–	4,326	–	–	–	–	33	6,170
Inter-company balances	470,531	4,411	53,855	41,072	58,292	22	74	2,286	630,543
	509,511	9,342	62,468	47,719	69,273	37	936	3,396	702,682
Financial liabilities									
Trade and other payables	21,158	104	4,341	1,403	4,739	–	190	330	32,265
Derivative financial instruments	1,638	–	–	–	–	–	–	–	1,638
Lease liabilities	63,104	–	296	–	3,510	–	–	–	66,910
Borrowings	524,966	–	25,638	63,157	125,230	–	48	–	739,039
Inter-company balances	470,531	4,411	53,855	41,072	58,292	22	74	2,286	630,543
	1,081,397	4,515	84,130	105,632	191,771	22	312	2,616	1,470,395
Net financial (liabilities)/ assets	**(571,886)**	**4,827**	**(21,662)**	**(57,913)**	**(122,498)**	**15**	**624**	**780**	**(767,713)**
Less: Net financial assets denominated in the respective entities' functional currencies	571,109	66	21,671	57,969	122,548	(3)	(624)	(780)	
Currency risk exposures	**(777)**	**4,893**	**9**	**56**	**50**	**12**	**–**	**–**	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk (Continued)*

(i) Currency risk (Continued)

	SGD $'000	USD $'000	MYR $'000	AUD $'000	GBP $'000	HKD $'000	KRW $'000	Other $'000	Total $'000
2018									
Financial assets									
Cash and bank balances	48,723	1,453	2,966	2,585	5,018	328	1,598	231	62,902
Financial assets, at FVOCI	6,442	2,880	–	–	–	–	–	–	9,322
Financial assets through profit or loss	–	53	–	–	330	–	–	–	383
Trade and other receivables	3,772	22	2,333	4,993	800	–	52	–	11,972
Other financial assets	1,133	–	1,908	–	–	–	–	32	3,073
Inter-company balances	466,702	3,231	79,601	50,060	106,733	19	1	1,629	707,976
	526,772	7,639	86,808	57,638	112,881	347	1,651	1,892	795,628
Financial liabilities									
Trade and other payables	23,294	612	3,194	1,459	3,668	–	1,431	781	34,439
Borrowings	551,860	–	27,034	59,038	100,449	–	16	–	738,397
Inter-company balances	466,702	3,231	79,601	50,060	106,733	19	1	1,629	707,976
	1,041,856	3,843	109,829	110,557	210,850	19	1,448	2,410	1,480,812
Net financial (liabilities)/ assets	**(515,084)**	**3,796**	**(23,021)**	**(52,919)**	**(97,969)**	**328**	**203**	**(518)**	**(685,184)**
Less: Net financial assets denominated in the respective entities' functional currencies	514,731	452	23,019	52,984	98,268	(6)	(159)	459	
Currency risk exposures	**(353)**	**4,248**	**(2)**	**65**	**299**	**322**	**44**	**(59)**	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. 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	KRW $'000	Other $'000	Total $'000
2019								
Financial assets								
Cash and bank balances	14,784	69	13	21	13	–	3	14,903
Financial assets, at FVOCI	6,046	3,119	–	–	–	–	–	9,165
Trade and other receivables	21,320	127	–	1	14	–	–	21,462
Loans to subsidiaries	372,096	–	–	–	–	–	–	372,096
Other financial assets	197	–	–	–	–	–	–	197
	414,443	3,315	13	22	27	–	3	417,823
Financial liabilities								
Trade and other payables	11,655	–	–	–	–	–	–	11,655
Derivative financial instruments	276	–	–	–	–	–	–	276
Lease liabilities	1,399	–	–	–	–	–	–	1,399
Borrowings	141,708	–	–	–	–	–	–	141,708
	155,038	–	–	–	–	–	–	155,038
Net financial assets	**259,405**	**3,315**	**13**	**22**	**27**	**–**	**3**	**262,785**
Less: Net financial assets denominated in the entity's functional currency	(259,405)	–	–	–	–	–	–	
Currency risk exposures	**–**	**3,315**	**13**	**22**	**27**	**–**	**3**	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk (Continued)*

(i) Currency risk (Continued)

	SGD $'000	USD $'000	AUD $'000	GBP $'000	HKD $'000	KRW $'000	Other $'000	Total $'000
2018								
Financial assets								
Cash and bank balances	33,086	646	11	11	324	1	2	34,081
Financial assets, at FVOCI	6,443	2,879	–	–	–	–	–	9,322
Trade and other receivables	26,869	129	2,402	201	9	–	–	29,610
Loans to subsidiaries	358,853	–	–	–	–	–	–	358,853
Other financial assets	198	–	–	–	–	–	–	198
	425,449	3,654	2,413	212	333	1	2	432,064
Financial liabilities								
Trade and other payables	15,359	–	–	2	–	–	5	15,366
Borrowings	163,651	–	–	–	–	–	–	163,651
	179,010	–	–	2	–	–	5	179,017
Net financial assets/ (liabilities)	**246,439**	**3,654**	**2,413**	**210**	**333**	**1**	**(3)**	
Less: Net financial assets denominated in the entity's functional currency	(246,439)	–	–	–	–	–	–	
Currency risk exposures	**–**	**3,654**	**2,413**	**210**	**333**	**1**	**(3)**	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

If the USD, AUD, GBP, HKD and KRW change against SGD by 3% (2018: 3%) 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)			
	2019		2018	
	Profit after tax $'000	Other comprehensive income $'000	Profit after tax $'000	Other comprehensive income $'000
Group				
USD against SGD				
– strengthened	**122**	**(16)**	106	13
– weakened	**(122)**	**16**	(106)	(13)
AUD against SGD				
– strengthened	**1**	**5,338**	2	2,641
– weakened	**(1)**	**(5,338)**	(2)	(2,641)
GBP against SGD				
– strengthened	**1**	**6,577**	7	5,857
– weakened	**(1)**	**(6,577)**	(7)	(5,857)
HKD against SGD				
– strengthened	**–**	**–**	8	–
– weakened	**–**	**–**	(8)	–
KRW against SGD				
– strengthened	**–**	**(3)**	1	1
– weakened	**–**	**3**	(1)	(1)
Company				
USD against SGD				
– strengthened	**83**	**–**	91	–
– weakened	**(83)**	**–**	(91)	–
AUD against SGD				
– strengthened	**–**	**–**	60	–
– weakened	**–**	**–**	(60)	–
GBP against SGD				
– strengthened	**1**	**–**	5	–
– weakened	**(1)**	**–**	(5)	–
HKD against SGD				
– strengthened	**1**	**–**	8	–
– weakened	**(1)**	**–**	(8)	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk (Continued)*

(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 fair value through other comprehensive income. These securities are listed in Singapore.

If prices for debt securities listed in Singapore change by 4% (2018: 1%) with all other variables including tax rate being held constant, the effects on other comprehensive income will be:

	Increase/(Decrease)	
	2019	2018
	Other comprehensive income $'000	Other comprehensive income $'000
Group/Company		
Listed in Singapore		
– increased by	**367**	93
– decreased by	**(367)**	(93)

(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.

The Group's and Company's exposure to cash flow interest rate risks arise mainly from non-current variable rate borrowings. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group enters into interest rate swaps as disclosed in Note 31 with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was 100% effective.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Hedge ineffectiveness have occurred due to changes in the critical terms of either the interest rate swaps or the borrowings.

If the interest rates have increased/decreased by 0.3% (2018: 0.3%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $1,378,000 (2018: $1,625,000).

If the interest rates have increased/decreased by 0.3% (2018: 0.3%) with all other variables including tax rate being held constant, the Company's profit after tax would have been lower/higher by $82,000 (2018: $125,000).

(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. In addition, the Group also collects security deposits and advanced rental from its accommodation customers to manage credit risk as these can be used to offset outstanding trade receivables in the event of default. 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 the Company have no major concentration of credit risk. The Company has no material third party debtors. The top five debtors of the Group represented 28% (2018: 34%) of trade receivables in 2019.

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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Corporate guarantees provided to banks on subsidiaries', associated companies' and a joint venture's loans	**75,467**	79,026	**573,430**	577,805

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

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.

The movements in credit loss allowance are as follows:

	Trade receivables	
	2019	**2018**
	$'000	**$'000**
Group		
Beginning of financial year	**781**	852
Loss allowance recognised in profit or loss during the year on:		
– Assets acquired/originated	**177**	72
– Reversal of unutilised amounts	**–**	(129)
– Currency translation	**(1)**	(14)
Written-off	**(74)**	–
End of financial year	**883**	781

Cash and cash equivalents, receivables from associated company and other receivables are subject to immaterial credit loss.

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables arising from revenue from contracts.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when the assets become uncollectible.

The Group's credit risk exposure in relation to trade receivables under IFRS 9 as at 31 December 2019 and 31 December 2018 are set out as follows:

	Total	
	2019	**2018**
	$'000	**$'000**
Group		
Sale of optical disc storage media		
Expected loss rate	**25%**	21%
Trade receivables	**260**	364
Loss allowance	**66**	77
Rental income from investment properties		
Expected loss rate	**21%**	20%
Trade receivables	**3,932**	3,502
Loss allowance	**817**	704

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) *Credit risk (Continued)*

(i) Trade receivables (Continued)

The loss allowance in relation to the trade receivables from rental income from investment properties relates to specific cases amounting to $817,000 which have been fully provided for. For the remaining trade receivables, the credit loss allowance is considered to be insignificant as credit risk is minimised with rental deposits from customers are received in advance.

(ii) Receivables from subsidiaries

	Receivables from subsidiaries $'000	Loans to subsidiaries $'000	Total $'000
Company			
2019			
Beginning of financial year	**1,636**	**11,949**	**13,585**
Loss allowance recognised in profit or loss during the year on:			
– Assets acquired/originated	**78**	**–**	**78**
– Reversal of unutilised amounts	**–**	**(64)**	**(64)**
Written-off	**(1,636)**	**(2,219)**	**(3,855)**
End of financial year	**78**	**9,666**	**9,744**
2018			
Beginning of financial year	1,636	12,031	13,667
Loss allowance recognised in profit or loss during the year on:			
– Assets acquired/originated	–	367	367
– Reversal of unutilised amounts	–	(449)	(449)
End of financial year	1,636	11,949	13,585

Cash and bank deposits, receivables from associated companies and other receivables are subject to immaterial credit loss.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of IFRS 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) *Liquidity risk (Continued)*

The table below analyses the maturity profile of the Group's and the 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				
2019				
Trade and other payables	**32,170**	**–**	**50**	**45**
Lease liabilities	**8,975**	**10,444**	**20,725**	**41,949**
Borrowings	**76,475**	**112,486**	**395,010**	**247,306**
Financial guarantee contracts (Note 38(b))	**75,467**	**–**	**–**	**–**
2018				
Trade and other payables	34,344	54	41	–
Borrowings	68,608	198,044	295,231	290,241
Financial guarantee contracts (Note 38(b))	79,026	–	–	–

The financial guarantee contracts maturing in less than 1 year are $75,467,000 (2018: $79,026,000)

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Company				
2019				
Trade and other payables	**11,655**	**–**	**–**	**–**
Lease liabilities	**520**	**975**	**–**	**–**
Borrowings	**8,781**	**42,080**	**75,698**	**31,332**
Financial guarantee contracts (Note 38(b))	**573,430**	**–**	**–**	**–**
2018				
Trade and other payables	15,366	–	–	–
Borrowings	7,457	91,421	47,816	–
Financial guarantee contracts (Note 38(b))	577,805	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) *Liquidity risk (Continued)*

The table below analyses the derivative financial instruments of the Group and the Company for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Group			
At 31 December 2019			
Net-settled interest rate swaps – cash flow hedges			
– Net cash outflows	**(362)**	**(344)**	**(635)**
Company			
At 31 December 2019			
Net-settled interest rate swaps – cash flow hedges			
– Net cash outflows	**(67)**	**(64)**	**(31)**

The Group and the Company did not hold derivatives for hedging in 2018.

(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	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Net debt	**690,451**	675,495	**126,805**	129,570
Total capital	**1,352,904**	1,263,348	**423,259**	434,589
Net gearing ratio	**51%**	54%	**30%**	30%

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 2018 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) *Fair value measurements*

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group			
As at 31 December 2019			
Financial assets, at FVOCI	**9,165**	**–**	**–**
Financial assets, at fair value through profit or loss	**–**	**–**	**156**
Derivative financial instruments – liabilities	**–**	**1,638**	**–**
As at 31 December 2018			
Financial assets, at FVOCI	9,322	–	–
Financial assets, at fair value through profit or loss	–	–	383
Company			
As at 31 December 2019			
Financial assets, at FVOCI	**9,165**	**–**	**–**
Derivative financial instruments – liabilities	**–**	**276**	**–**
As at 31 December 2018			
Financial assets, at FVOCI	9,322	–	–

The fair value of financial instruments traded in active markets (such as trading and FVOCI 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 fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These instruments are classified as Level 2.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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, Note 18 and Note 31 to the financial statements, except for the following:

	Group 2019 $'000	Company 2019 $'000
Financial assets, at amortised cost	**62,818**	**408,658**
Financial liabilities at amortised cost	**838,214**	**154,762**

	Group 2018 $'000	Company 2018 $'000
Financial assets, at amortised cost	77,947	422,742
Financial liabilities at amortised cost	772,836	179,017

39. 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	
	2019 $'000	2018 $'000
Services provided to immediate holding corporation	**89**	139
Services provided to associated companies	**2,200**	2,159
Sales to a company which a director has an interest	**–**	7
Purchases from a company which a director has an interest	**6**	17
Purchases from associated companies	**697**	–
Interest charged by associated company	**1,416**	1,325
Interest charged by non-controlling interest	**215**	188

Outstanding balances at 31 December 2019 and 2018 arising from sales and purchases of goods are set out in Notes 13 and 26.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

39. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2019 $'000	2018 $'000
Wages and salaries	**4,546**	4,737
Employer's contribution to defined contribution plans, including Central Provident Fund	**143**	156
	4,689	4,893

Included in above, total compensation to directors of the Company amounted to $1,561,000 (2018: $1,256,000).

40. 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 Deputy Chairman, the Group Chief Executive Officer, the Group Chief Financial Officer, and the Chief Operating 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 2019

40. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments are as follows:

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Year ended 31 December 2019:				
Revenue:				
Sales to external parties	86,114	45,800	1,439	133,353
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	3,514	1,566	1,177	6,257
– Over time	683	1,473	–	2,156
Segment results	52,230	19,042	296	71,568
Finance expense	(18,557)	(10,201)	(1)	(28,759)
Interest income				1,137
Fair value gains/(losses) on investment properties and assets held for sale	66,424	(180)	22	66,266
Share of profit/(loss) of associated companies and joint venture	5,213	(4,372)	(52)	789
Profit before tax				111,001
Income tax expense				(7,213)
Net profit				**103,788**
Segment assets	796,522	528,172	6,081	1,330,775
Short-term bank deposits				24,611
Financial assets, at FVOCI				9,165
Tax recoverable				679
Investments in associated companies	77,245	30,555	1,118	108,918
Investment in a joint venture	–	4,819	–	4,819
Consolidated total assets				**1,478,967**
Segment liabilities	82,792	26,220	163	109,175
Borrowings	453,165	285,874	–	739,039
Current income tax liabilities				7,092
Deferred income tax liabilities				9,796
Consolidated total liabilities				**865,102**
Other segment items:				
Capital expenditure	5,682	35,778	–	41,460
Depreciation	2,040	1,038	35	3,113

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

40. SEGMENT INFORMATION (CONTINUED)

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Year ended 31 December 2018:				
Revenue:				
Sales to external parties	80,605	37,731	1,734	120,070
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	3,076	1,829	1,505	6,410
– Over time	682	1,436	–	2,118
Segment results	49,944	13,663	665	64,272
Finance expense	(15,279)	(8,649)	(1)	(23,929)
Interest income				1,046
Dividend income				73
Fair value (losses)/gains on investment properties and assets held for sale	(12,227)	60,925	(145)	48,553
Share of profit/(loss) of associated companies and joint venture	6,151	425	(5)	6,571
Profit before tax				96,586
Income tax expense				(12,435)
Net profit				**84,151**
Segment assets	668,193	471,938	6,697	1,146,828
Short-term bank deposits				44,287
Financial assets, at FVOCI				9,322
Investments in associated companies	77,662	37,847	1,190	116,699
Investment in a joint venture	–	4,604	–	4,604
Consolidated total assets				**1,321,740**
Segment liabilities	25,547	15,901	809	42,257
Borrowings	469,210	269,179	8	738,397
Current income tax liabilities				8,018
Deferred income tax liabilities				8,117
Consolidated total liabilities				**796,789**
Other segment items:				
Capital expenditure	14,296	104,758	1	119,055
Depreciation	1,926	1,124	36	3,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

40. SEGMENT INFORMATION (CONTINUED)

Segment assets consist primarily of property, plant and equipment, investment property, inventories, receivables, other current assets and operating cash, and exclude deferred tax assets, investments in associated companies and a joint venture, financial assets, at FVOCI 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.

Geographical information

The Group's three business segments operate in five 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, provision of management services 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;
- United States of America – the operations in this area are principally the provision of student accommodation;
- Other countries – the operations are principally property investments.

	Revenue	
	2019 $'000	**2018 $'000**
Singapore	**80,524**	75,659
Australia	**12,435**	7,652
Malaysia	**10,172**	9,895
United Kingdom	**27,642**	25,212
United States of America	**1,379**	1,423
Other countries	**1,201**	229
	133,353	120,070

	Non-current assets	
	2019 $'000	**2018 $'000**
Singapore	**761,300**	633,063
Australia	**160,578**	154,705
Malaysia	**100,183**	94,862
United Kingdom	**338,747**	297,838
United States of America	**29,279**	36,698
Other countries	**10,828**	10,584
	1,400,915	1,227,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

40. SEGMENT INFORMATION (CONTINUED)

Changes in accounting policy

(a) The adoption of the new leasing standard described in Note 2.3 had the following impact on segment results in the current year:

	Segment results before adoption of IFRS 16 $'000	Add: Rental expenses under IAS 17, when the Group is a lessee $'000	Less: Depreciation expense on ROU assets under IFRS 16 $'000	Segment results after adoption of IFRS 16 $'000
Workers accommodation	49,350	2,941	61	52,230
Student accommodation	16,134	2,908	–	19,042
Others	296	–	–	296
	65,780	5,849	61	71,568

(b) The adoption of the new leasing standard resulted in the recognition of ROU assets and lease liabilities, which increased segment assets and liabilities as at 31 December 2019 as follows:

	Segment assets $'000	Segment liabilities $'000
Workers accommodation	56,280	56,264
Student accommodation	10,847	10,646
	67,127	66,910

(c) The recognition of ROU assets and lease liabilities on the balance sheet resulted in an increase in depreciation and finance expenses and a decrease in fair value gains of investment properties in the consolidated income statement in the current year as follows:

	Depreciation $'000	Fair value gains of investment properties $'000	Finance expense $'000
Workers accommodation	61	(1,658)	1,204
Student accommodation	–	(2,586)	405
	61	(4,244)	1,609

Comparative segment information has not been restated. As a consequence, the segment information disclosed for the items above is not entirely comparable to the information disclosed for the prior year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

41. 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.

42. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 14 January 2020, the Group has applied for voluntary deregistration of one of its indirectly-owned subsidiary, Centurion Overseas Venture (HK) Limited.

43. 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 17 March 2020.

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

	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Revenue	104,538	120,537	137,113	120,070	**133,353**
Net profit from Core Business Operations attributable to equity holders of the Company	35,810	38,586	44,331	34,271	**38,232**
Earnings per share from Core Business Operations (in SGD cents)	4.74	5.19	5.83	4.08	**4.55**

Assets and Liabilities

	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Non-current assets	993,552	1,015,900	1,075,676	1,227,750	**1,400,915**
Current assets	148,092	103,834	113,315	93,990	**78,052**
Total assets	1,141,644	1,119,734	1,188,991	1,321,740	**1,478,967**
Total liabilities	738,748	720,252	713,258	796,789	**865,102**
Non-controlling interests	780	6,884	12,806	17,636	**21,674**
Total equity attributable to equity holders of the Company	402,116	392,598	462,927	507,315	**592,191**

STATISTICS OF SHAREHOLDINGS

AS AT 6 MARCH 2020

Class of shares	:	Ordinary Shares
Issued and fully paid-up capital	:	S$202,441,222.11
Number of shares issued	:	840,778,624
Voting rights	:	One vote for per share

Treasury Shares and Subsidiary Holdings

The Company does not hold any treasury shares and has no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	117	2.37	5,579	0.00
100 – 1,000	767	15.54	329,309	0.04
1,001 – 10,000	2,413	48.88	11,927,006	1.42
10,001 – 1,000,000	1,618	32.77	87,219,011	10.37
1,000,001 and above	22	0.44	741,297,719	88.17
	4,937	100.00	840,778,624	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	DB Nominees (Singapore) Pte Ltd	325,419,416	38.70
2.	UOB Kay Hian Pte Ltd	136,670,987	16.26
3.	HKSCC Nominees Limited	133,481,839	15.88
4.	Citibank Nominees Singapore Pte Ltd	29,175,625	3.47
5.	CGS-CIMB Securities (Singapore) Pte Ltd	27,739,730	3.30
6.	DBS Nominees Pte Ltd	18,953,829	2.25
7.	United Overseas Bank Nominees Pte Ltd	17,144,866	2.04
8.	Raffles Nominees (Pte) Limited	10,880,775	1.29
9.	Pamela Ling Yueh	7,293,600	0.87
10.	Maybank Kim Eng Securities Pte. Ltd.	5,716,818	0.68
11.	Lim & Tan Securities Pte Ltd	5,136,100	0.61
12.	OCBC Nominees Singapore Pte Ltd	4,556,698	0.54
13.	OCBC Securities Private Ltd	3,970,126	0.47
14.	Phillip Securities Pte Ltd	2,479,461	0.30
15.	Lee Joh Ern	2,295,625	0.27
16.	Ho Han Khoon	2,010,000	0.24
17.	DBS Vickers Securities (S) Pte Ltd	2,004,724	0.24
18.	Yuan Xiaomin	1,654,300	0.20
19.	Heng Siew Eng	1,373,700	0.16
20.	Jack Investment Pte Ltd	1,173,000	0.14
	Total	739,131,219	87.91

STATISTICS OF SHAREHOLDINGS

AS AT 6 MARCH 2020

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)	425,756,126	50.64	–	–	425,756,126	50.64
Centurion Global Ltd(3)	–	–	425,756,126	50.64	425,756,126	50.64
Loh Kim Kang David(4)	33,536,950	3.99	425,956,126	50.66	459,493,076	54.65
Han Seng Juan(5)	25,027,300	2.98	433,703,626	51.58	458,730,926	54.56
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 6 March 2020.

(2) Of the 425,756,126 shares held by Centurion Properties Pte Ltd ("**Centurion Properties**"), 310,000,000 shares are registered in the name of DB Nominees (Singapore) Pte Ltd, 115,000,000 shares are registered in the name of UOB Kay Hian Private Limited and 756,126 shares are registered in its own name.

(3) Centurion Properties is a wholly-owned subsidiary of Centurion Global Ltd ("**Centurion Global**"). Centurion Global is, therefore, deemed to be interested in 425,756,126 shares held by Centurion Properties.

(4) Mr Loh Kim Kang David ("**Mr Loh**") holds a 50% shareholding interest in Centurion Global. Mr Loh is, therefore, deemed to be interested in 425,756,126 shares held by Centurion Properties, a wholly-owned subsidiary of Centurion Global. Mr Loh also has a deemed interest in 200,000 shares held by his spouse, Wong Wan Pei.

Of the 33,536,950 shares held by Mr Loh, 12,925,750 shares are registered in the name of UOB Kay Hian Private Limited, 1,500,000 shares are registered in the name of Raffles Nominees (Pte.) Limited, 14,624,000 shares are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd, 2,936,000 shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited, 409,000 shares are registered in the name of UOB Kay Hian (Hong Kong) Limited and 1,142,200 shares are registered in his own name.

(5) Mr Han Seng Juan ("**Mr Han**") holds a 50% shareholding interest in Centurion Global. Mr Han is, therefore, deemed to be interested in 425,756,126 shares held by Centurion Properties, a wholly-owned subsidiary of Centurion Global. 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 (Singapore) Pte Ltd.

Of the 25,027,300 shares held by Mr Han, 5,898,400 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, 3,239,000 shares are registered in the name of Kim Eng Securities (Hong Kong) Limited, 9,026,000 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, 3,063,500 shares are registered in the name of Maybank Kim Eng Securities Pte Ltd, 39,600 shares are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd and 2,673,000 shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited.

(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 Deutsche Bank 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 6 March 2020, approximately 32.33% of the total number of issued shares (excluding treasury shares) of the Company 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 with limited liability)
(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 Moor Room, Raffles City Convention Centre (Level 4), 2 Stamford Road, Singapore 178882 (for Singapore shareholders); and (b) in Hong Kong, via video-conferencing at 5/F, International Trade Tower, 348 Kwun Tong Road, Kowloon, Hong Kong (for Hong Kong shareholders) on 27 April 2020 (Monday) 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 2019 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend of 1.0 Singapore cent per ordinary share, on a one-tier tax exempt basis, for the financial year ended 31 December 2019. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to the Company's Constitution:

   (a) Mr. Wong Kok Hoe as Executive Director (Regulation 89)
   [See Explanatory Note (i)] **(Resolution 3)**

   (b) Mr. Gn Hiang Meng as Independent Non-Executive Director (Regulation 89)
   [See Explanatory Note (ii)] **(Resolution 4)**

   (c) Mr. Owi Kek Hean as Independent Non-Executive Director (Regulation 89)
   [See Explanatory Note (iii)] **(Resolution 5)**

   (d) Mr. Lee Wei Loon as Independent Non-Executive Director (Regulation 88)
   [See Explanatory Note (iv)] **(Resolution 6)**

4. To approve the payment of Directors' fees of S$516,251 for the financial year ended 31 December 2019 (FY2018: S$457,450). **(Resolution 7)**

5. To approve the payment of Directors' fees of up to S$525,000 for the financial year ending 31 December 2020, to be paid quarterly in arrears.
   [See Explanatory Note (v)] **(Resolution 8)**

6. To re-appoint PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

* *for identification purpose only*

NOTICE OF 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:

8. **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,

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);

NOTICE OF ANNUAL GENERAL MEETING

(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 which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(b) new shares arising from exercising share options or vesting of share awards which were issued and 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 (vi)] **(Resolution 10)**

NOTICE OF ANNUAL GENERAL MEETING

9. **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;

NOTICE OF ANNUAL GENERAL MEETING

(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,

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 during the relevant five (5) Market Days and the day on which the purchase is made;

(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 (vii)] **(Resolution 11)**

By Order of the Board

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore, 25 March 2020

Headquarters and Principal Place of Business
45 Ubi Road 1, #05-01
Singapore 408696

Principal Place of Business in Hong Kong
Room 5705, 57th Floor
The Center, 99 Queen's Road Central, Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Ordinary Resolution 3 is to re-elect Mr. Wong Kok Hoe ("**Mr. Wong**") as an Executive Director of the Company. Mr. Wong will, upon re-election, remain as Executive Director and Deputy Chairman of the Board. Save as disclosed in the Company's Annual Report and the circular to shareholders accompanying this Notice of Annual General Meeting (the "**Circular**"), there are no relationships (including immediate family relationships) between Mr. Wong and the other Directors, the Company or its substantial shareholders.

(ii) Ordinary Resolution 4 is to re-elect Mr. Gn Hiang Meng ("**Mr. Gn**") as an Independent Non-Executive Director of the Company (who has served the Company as an Independent Non-Executive Director for more than nine (9) years). Mr. Gn will, upon re-election, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee. He is considered independent for the purposes of Rule 210(5)(d) and 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 substantial shareholders.

(iii) Ordinary Resolution 5 is to re-elect Mr. Owi Kek Hean ("**Mr. Owi**") as an Independent Non-Executive Director of the Company. Mr. Owi will, upon re-election, remain as Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee. He is considered independent for the purposes of Rule 210(5)(d) and 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. Owi and the other Directors, the Company or its substantial shareholders.

(iv) Ordinary Resolution 6 is to re-elect Mr. Lee Wei Loon ("**Mr. Lee**") as an Independent Non-Executive Director of the Company. Mr. Lee will, upon re-election, remain as Independent Non-Executive Director and a member of the Remuneration Committee. He is considered independent for the purposes of Rule 210(5)(d) 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. Lee and the other Directors, the Company or its substantial shareholders.

(v) Ordinary Resolution 8, if passed, will authorise the Company to effect payment of fees to the Directors (including fees payable to members of the various Board Committees) for the financial year ending 31 December 2020, which are to be made on a quarterly basis in arrears. This will enable the Company to pay the Directors for their services rendered during the course of the financial year and facilitate Directors' compensation for services rendered in a more timely manner.

(vi) Ordinary Resolution 10, 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.

(vii) Ordinary Resolution 11, 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.

The Company intends to use internal sources of funds or borrowings, or a combination of internal resources and external borrowings, to finance its purchase or acquisition of shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on whether the shares are purchased or acquired out of capital or profits, the number of shares purchased or acquired and the price at which such shares are purchased or acquired.

The financial effects of the purchase or acquisition of such shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 December 2019 based on these assumptions are set out in paragraph 4.7 of the Circular.

Please refer to the Circular for details.

* *Information on the Directors who are proposed to be re-elected can be found under the section entitled "Board of Directors" in the Annual Report and also in the Circular.*

NOTICE OF ANNUAL GENERAL MEETING

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 appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("**AGM**").

   (b) A Member who is a relevant intermediary* or a clearing house (or its nominee(s)) is entitled to 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 such Member.

   ** "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.*

2. A proxy need not be a Member. Completion and return of the instrument appointing a proxy or proxies will not preclude a Member from attending and voting in person at the AGM or any adjournment thereof should such Member so wishes, and in such event, the instrument appointing a proxy or proxies shall be deemed to be revoked.

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 the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 54, 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, failing which the instrument may be treated as invalid.

5. The Hong Kong branch share register will be closed from 22 April 2020 to 27 April 2020, both days inclusive, during which period no transfer of shares will be registered, for determining the entitlement to attend and vote at the AGM to be held on 27 April 2020. 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 pm on 21 April 2020.

6. Pursuant to Regulation 59, the above resolutions to be put to vote at the AGM (and at any adjournment thereof) shall be decided by way of poll as required by the Listing Manual of SGX-ST and Listing Rules of SEHK.

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 to 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

Executive

Wong Kok Hoe (Deputy Chairman)
(appointed on 13 November 2019)
Teo Peng Kwang

Non-Executive

Han Seng Juan (Joint Chairman)
(appointed on 13 November 2019)
Loh Kim Kang David (Joint Chairman)
(appointed on 13 November 2019)

Independent Non-Executive

Gn Hiang Meng (Lead Independent Director)
Chandra Mohan s/o Rethnam
Owi Kek Hean
Tan Poh Hong
Lee Wei Loon
(appointed on 13 November 2019)

CHIEF EXECUTIVE OFFICER

Kong Chee Min

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

Owi Kek Hean (Chairman)
Tan Poh Hong
Gn Hiang Meng

REMUNERATION COMMITTEE

Chandra Mohan s/o Rethnam (Chairman)
Tan Poh Hong
Lee Wei Loon

COMPANY SECRETARIES

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Cheung Yuet Fan (Hong Kong Company Secretary)
(appointed on 19 June 2019)

REGISTERED OFFICE

45 Ubi Road 1 #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6743 3288
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 Center
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 54, 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

Certified Public Accountants
Registered Public Interest Entity Auditor
Chua Chin San
(Date of appointment:
Since financial year beginning 01 January 2018)

AUTHORISED REPRESENTATIVES

Wong Kok Hoe
Cheung Yuet Fan
(appointed on 19 June 2019)