Centurion

Centurion Corporation Limited

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

2020 INTERIM REPORT

BUILDING VALUE IN PEOPLE AND PLACES

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS
Non-Executive
Han Seng Juan *(Joint Chairman)*
Loh Kim Kang David *(Joint Chairman)*

Executive
Wong Kok Hoe *(Deputy Chairman)*
Teo Peng Kwang

Independent Non-Executive
Gn Hiang Meng *(Lead Independent Director)*
Chandra Mohan s/o Rethnam
Owi Kek Hean
Tan Poh Hong
Lee Wei Loon

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)

REGISTERED OFFICE
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Singapore 408696
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Fax: (65) 6743 3288
Email: enquiry@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
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Fax: (852) 2810 8185

AUDITORS
PricewaterhouseCoopers LLP
Recognised Public Interest Entity Auditor
7 Straits View, Marina One East Tower,
Level 12, Singapore 018936

AUDIT PARTNER-IN-CHARGE
Chua Chin San
(Appointed since financial year beginning
1 January 2018)

AUTHORISED REPRESENTATIVES
Wong Kok Hoe
Cheung Yuet Fan

COMPANY WEBSITE
www.centurioncorp.com.sg

STOCK CODE
Singapore: OU8
Hong Kong: 6090

FINANCIAL HIGHLIGHTS

Centurion Corporation Limited (the "Company") is incorporated and domiciled in the Republic of Singapore. The ordinary shares of the Company (the "Shares") are listed and traded on both the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and The Stock Exchange of Hong Kong Limited (the "SEHK").

The Board (the "Board") of Directors of the Company (the "Directors") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for six months ended 30 June 2020 ("1H 2020"), together with the relevant unaudited comparative figures for the six months ended 30 June 2019 ("1H 2019").

Unaudited consolidated results for the second quarter ended 30 June 2020 ("2Q 2020") are included in this interim report, together with the comparative figures for the corresponding period last year, to provide clarity and transparency relating to the impact of Novel Coronavirus ("COVID-19"), which have been recorded in 2Q 2020.

CONSOLIDATED RESULTS

	2Q 2020 $'000	2Q 2019 $'000	% change +/(-)	1H 2020 $'000	1H 2019 $'000	% change +/(-)
Revenue	**31,103**	32,907	(5)	**66,590**	64,192	4
Gross profit	**21,827**	24,656	(11)	**48,067**	46,994	2
Net profit after tax	**10,616**	11,465	(7)	**23,885**	20,558	16
Profit from core business operations attributable to equity holders	**9,128**	10,191	(10)	**21,005**	18,067	16
Basic earnings per share from core business operations (cents) based on weighted average number of ordinary shares	**1.09**	1.21		**2.50**	2.15	
Dividend per share (cents)	**–**	1.00		**–**	1.00	

CONDENSED CONSOLIDATED BALANCE SHEET

	Group 30 Jun 2020 $'000	Group 31 Dec 2019 $'000
Total equity	**618,903**	613,865
Net assets attributable to the Company's equity holders	**594,338**	592,191
Net borrowings (total borrowings less cash and bank balances)	**678,482**	690,451
Net borrowings to total capital (borrowings plus net assets) ratio	**50%**	51%
Net assets per share attributable to the Company's equity holders (cents)	**70.69**	70.43

MANAGEMENT DISCUSSION AND ANALYSIS

(A) (I) SECOND QUARTER REVIEW — 2Q 2020 VS 2Q 2019

For 2Q 2020, the Group's revenue reduced 5% to S$31.1 million from S$32.9 million in the quarter ended 30 June 2019 ("2Q 2019"), while net profit after tax was S$10.6 million, a reduction of S$0.9 million or 7% year-on-year.

The lower revenue was mainly due to 2 months' impact from the early lease termination allowed for student accommodation portfolio in the United Kingdom (the "UK") starting from 1 May 2020 for the final semester of UK Academic Year 2019–2020 ("AY19-20"), as well as lower occupancy in dwell Village Melbourne City (formerly known as RMIT Village), Australia resulting from movement restrictions imposed to contain the spread of COVID-19. This reduction in revenue was mitigated by revenue contribution from newly-added workers accommodation assets, namely Westlite Juniper in Singapore which commenced operations in 3Q 2019, and student accommodation, namely dwell Archer House in the UK which commenced operations in 4Q 2019.

The Group's gross profit reduced by 11% year-on-year, from S$24.7 million in 2Q 2019 to S$21.8 million in 2Q 2020 mainly due to reduced revenue and additional operating expenses, which included additional manpower cost and cost relating to COVID-19 precautionary measures of S$1.3 million incurred to manage the COVID-19 situation, substantially in the workers accommodation.

Other income and gains increased by S$1.4 million largely attributed to various government support schemes for businesses in the current uncertain economic climate, in various jurisdictions where the Group operates.

The Group's expanded business operations resulted in an increase of S$0.1 million in distribution expenses.

Administrative expenses increased by S$0.8 million mainly due to the provision for allowance for impairment of trade receivables. With the poor economic conditions and the introduction of COVID-19 (Temporary Measures) Act 2020 in Singapore protecting the tenants, the Group have made additional provision for doubtful debts on tenants who are facing financial hardships and those with indicators of default on payments.

Finance expenses decreased by S$1.5 million in a reduced interest rate environment, as compared with 2Q 2019.

Accordingly, net profit after tax derived from the Group's operations for 2Q 2020 was S$10.6 million, 7% lower than S$11.5 million in 2Q 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

(A) (II) HALF YEAR 2020 REVIEW — 1H 2020 VS 1H 2019

Despite the revenue reduction of 5% in 2Q 2020 due to COVID-19, the Group registered an overall 4% or S$2.4 million increase in revenue in the half year ended 30 June 2020 ("1H 2020"). This is because the Group's 1Q 2020 revenue, unaffected by COVID-19, had experienced a strong growth of 13% compared to the corresponding quarter last year.

Overall, the higher revenue was mainly attributable to revenue contribution from the new properties such as Westlite Juniper in Singapore, dwell Archer House in the UK as well as dwell East End Adelaide in Australia. The increase has been partially offset by a lower revenue contribution from UK student accommodation and dwell Village Melbourne City where their occupancies were affected by COVID-19 in 2Q 2020.

Gross profit for the Group in 1H 2020 increased by S$1.1 million on the back of the net increase in revenue of S$2.4 million and S$1.3 million additional expenses incurred to manage the COVID-19 situation.

Other income and gains increased by S$1.7 million largely attributed to the various government support schemes in various jurisdictions where the Group operates.

The expanded business operations and additional provision for doubtful debts of S$1.5 million resulted in an increase of S$2.0 million in administrative expenses and S$0.1 million in distribution expenses.

Due to the lower interest rate environment, finance expenses decreased by S$2.2 million compared to the six months ended 30 June 2019 ("1H 2019").

Share of profit of associated companies and joint venture increased by S$0.7 million in 1H 2020 mainly due to higher contribution from the Centurion US Student Housing Fund.

The Group's net profit of S$23.9 million in 1H 2020 was S$3.3 million higher compared to S$20.6 million in 1H 2019. This was substantially due to higher contributions from the new properties and lower interest expense.

MANAGEMENT DISCUSSION AND ANALYSIS

(B) REVIEW OF GROUP BALANCE SHEET

Assets

Net cash generated from the operating activities, loan principal moratorium as well as proceeds from borrowings led to S$16.5 million increase in cash and bank balances, which stood at S$65.1 million as at 30 June 2020. Please refer to (C) for review of the Group's cash flow statements for more details.

Assets held for sale increased by S$4.8 million as the Group's industrial property in Shanghai, China was put up for sale. The Group has entered into a sales and purchase agreement with the buyer subject to certain conditions to be fulfilled before completion which is expected to be in 4Q 2020.

Investments in associated companies increased S$2.9 million mainly due to the share of profit of associated companies.

Investment properties were reduced by S$12.0 million largely due to exchange translation on the Group's student assets in the UK where the local currency has weakened against the Singapore dollar and the transfer of the industrial property in China to Assets Held for Sale.

The value of the investment properties of the Group as at 30 June 2020 are based on independent valuations as at 31 December 2019. An internal assessment was conducted on the Group's Investment properties for any material impact to its fair value as at 30 June 2020 due to COVID-19. Independent market data and information for purpose-built student accommodation ("PBSA") and purpose-built workers accommodation ("PBWA") particularly the major inputs used for valuation such as capitalization rates and market rental rates as at 30 June 2020 were obtained. No significant movements of the valuation inputs were observed. While there is a lack of visibility regarding future cash flows due to occupancy rates, the effect on COVID-19 is expected to be temporary. Based on the assessment supported with latest information on key inputs, no material changes in the valuation of the investment properties is expected arising from COVID-19. In line with its normal valuation process, the Group engages independent valuers to conduct annually at the end of the financial year and shall continue with this practice.

Current income tax liabilities increased by S$3.0 million as tax authorities in countries where the Group operates have allowed for deferment of tax instalments.

The Group purchased interest rate swaps to hedge its floating interest rate risk on its bank borrowings. Due to the reduction in interest rates, a fair value loss on the cash flow hedges of S$6.0 million was recognized on the comprehensive income during the period of 1H 2020, which largely accounted for the S$5.4 million increase in derivative financial instruments as at 30 June 2020.

Borrowings & Gearing

The Group's net gearing ratio was 50% as at 30 June 2020, an improvement from 51% as at 31 December 2019. The Group's operating assets are primarily funded through bank borrowings, which have an average remaining maturity profile of seven years. The Group uses long term bank debt with regular principal repayments to finance its long-term assets.

As at 30 June 2020, the Group's balance sheet remained healthy with S$65.1 million in cash and bank balances.

* *Gearing ratio is our net debt divided by total capital. Net debt is calculated as borrowings less cash and bank balances. Total capital is calculated as borrowings less cash and bank balances.*

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2020, the carrying amounts of the Group's cash and bank balances and borrowings are denominated in the below currencies:-

	SGD S$'000	GBP S$'000	AUD S$'000	MYR S$'000	USD S$'000	KRW S$'000	Other S$'000	Total S$'000
As at 30 June 2020								
Cash and bank balances	46,790	8,426	4,973	2,677	845	126	1,245	65,082
Borrowings	538,438	119,064	62,892	23,123	—	47	—	743,564
As at 31 December 2019								
Cash and bank balances	28,133	9,906	5,927	1,966	717	847	1,092	48,588
Borrowings	524,966	125,230	63,157	25,638	—	48	—	739,039

FOREIGN EXCHANGE EXPOSURE

The Group operates in Singapore, Malaysia, United Kingdom, Australia, South Korea and the United States of America.

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as Great Britain Pound ("GBP"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD"), South Korean Won ("KRW"), United States Dollar ("USD") and Hong Kong Dollar ("HKD"). In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Exposures to foreign currency risks are managed as far as possible by natural hedges and monitoring to ensure the exposure is minimised.

INTEREST RATE EXPOSURE

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate after taking into consideration the hedging premium, the Group may purchase derivatives such as interest rate swaps to manage its interest rate exposure. The Group's main interest rate exposure relates to borrowings denominated in Singapore Dollar, Great Britain Pound, Australian Dollar and Malaysian Ringgit borrowings.

As at 30 June 2020, approximately 70% of the Group's total bank borrowings and other debts were at floating rates and the remaining 30% were at fixed rates (31 December 2019: 75% floating; 25% fixed).

(C) REVIEW OF GROUP STATEMENT OF CASH FLOWS

In 1H 2020, the Group generated positive cash flow of S$32.2 million from operating activities.

Net cash provided by investing activities amounted to S$1.1 million, mainly due to the proceeds from matured fixed rate notes.

The Group recorded net cash used in financing activities of S$15.6 million for repayment of borrowings, interest paid as well as dividends paid to the shareholders.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents of S$17.7 million in 1H 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK

The Group's PBWA and PBSA businesses, like other businesses, have been disrupted by COVID-19. While the Group recorded increases in revenue and profits in 1H 2020 as compared to the same period last year, it has also experienced pressures across the Group's geographies, since 2Q 2020.

Travel bans and movement restrictions, as well as the stoppage of work and university on-campus programmes, have impacted operations across its markets.

Even as countries start to relax pandemic management measures, the effects on local economies are increasingly being felt. Across the markets, the Group has received requests for review of lease terms, pre-terminations, rental deferrals, waivers, discounts or rebates. With legislation of temporary rent protection for tenants being enacted in various jurisdictions, delinquencies in receivables have risen and are expected to increase further in the coming months considering economic uncertainties.

To mitigate the impact, the Group is tapping relief packages rolled out by the various governments in the different countries where the Group operates. Additionally, the Group has approached its bankers to provide moratoria on principal repayments and grant additional working capital facilities. These requests have generally been well- supported by the banks.

At the same time, Centurion is taking proactive steps to conserve cash by implementing stricter cost management measures and deferring capital expenditure, where sensible. Expansion plans and non-essential development projects have been put on hold, and the Group will wait for the COVID-19 pandemic situation to stabilise, before re- evaluating expansion plans and recalibrating them according to market situations.

As at 30 June 2020, The Group has a gearing ratio of 50% and a well staggered debt maturity profile of average 7 years. Based on the total cash and unutilised committed credit facilities of S$167.2 million, the Group has sufficient liquidity to meet its debt obligations when they fall due.

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

Accommodation Business

As at 30 June 2020, 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 ("US").

Workers accommodation

Despite challenges from the COVID-19 outbreak, the Group achieved stable results across its Singapore and Malaysia PBWA portfolio for 1H 2020, with an average occupancy rate of 88.5%.

With continued uncertainty surrounding COVID-19 and its increasing consequent effects on economies, 2Q 2020 has been impacted, and the Group expects further headwinds from COVID-19.

MANAGEMENT DISCUSSION AND ANALYSIS

Singapore

The Group had approximately 28,000 beds across five operating PBWA assets in Singapore as at 30 June 2020, which had an average financial occupancy rate of 98.5% for 1H 2020.

However, the full economic impact of COVID-19 on the Group's Singapore PBWA portfolio remains to be seen, due to the impact of COVID-19 control measures on our employer-tenants' businesses in the short to medium-term, as well as anticipated changes in regulatory specifications for purpose-built dormitories.

The Singapore government's Circuit Breaker measures commenced 7 April 2020 and continued through 2Q 2020, and all worker dormitories in Singapore were isolated or quarantined, their Migrant Worker ("MW") residents required to stay within the dormitories at all times. During that period, the Group worked closely with the government agencies and various stakeholders, to contain the spread of COVID-19 within the MW community.

All blocks within our 5 Westlite Singapore PBWA have been declared cleared, except for 1 block each in three dormitories: Westlite Mandai, Westlite Woodlands and Westlite Toh Guan. Two of these last remaining blocks have been set aside to quarantine COVID-negative MW, being the group most vulnerable to contract the virus. In order to reduce risks to the wider community, they are required to undergo a stricter 14-day quarantine and swab tests before being cleared to resume work. The Group expects these final 3 blocks to be cleared by the middle of August 2020.

Even as the Singapore government works toward giving all worker dormitories a clean bill of health by mid-August[1] and clearing most workers to resume work, the employers' businesses have been disrupted from the past months' restrictions, and further stressed with additional requirements for work resumption. Some employers face challenges in their businesses and operations, resulting in pressures on their workforce and accommodation needs, rental affordability and payment ability. With requirements to carry out preventive safe living measures and fulfill cohorting arrangements in the living quarters, operational costs of managing the dormitories will likely remain high.

At the same time, the COVID-19 outbreak has led government agencies to review regulatory specifications and management requirements for purpose-built dormitories. New specifications are being piloted in new temporary dormitories being developed by the Singapore government, and will in time be introduced to some extent to existing dormitory properties. The extent of regulatory changes and the impact from these impending changes are not clearly defined as yet.

The Group believes that demand for PBWA beds will stabilise in the long term, driven by continued demand for migrant workers and for purpose-built dormitories addressing accommodation needs for the foreign workforce in land- scarce Singapore. The government has announced initiatives to develop more dormitories meeting new specifications over the next 3 years to address this need. These include temporary facilities of one to three years' terms as well as more permanent properties with longer tenure.

Centurion's management capabilities and strong track record in PBWA puts it in good stead to participate in opportunities arising from upcoming changes in the PBWA industry. The Group will actively pursue opportunities in the new dormitories being developed, including management service contracts.

In June 2020, the Group secured a management service contract from JTC Corporation ("JTC"), to manage three Factory-Converted Dormitories ("FCD") comprising approximately 4,000 beds, for a period of 6 months with the option of another six months' extension.

MANAGEMENT DISCUSSION AND ANALYSIS

Malaysia

As at 30 June 2020, Centurion operated approximately 30,700 beds across seven PBWA assets in Malaysia. The Group achieved an average occupancy of 79.5% for 1H 2020, including Westlite Bukit Minyak which recorded an average occupancy of 32.5% for 1H 2020. This asset in Penang, which began accepting occupancy in the middle of 2019, was in its ramp-up stage when the federal Movement Control Order (MCO) was implemented, and was hence restricted from accepting new occupants during the period.

While the COVID-19 outbreak has not materially impacted PBWA operations in Malaysia, the development of Westlite Tampoi II in Johor Bahru will continue to be on hold until there is greater clarity surrounding the COVID-19 situation.

Recently, the Malaysian government announced it will be limiting the hiring of foreign workers to work in construction, agriculture, and plantation sectors from next year to increase employment opportunities for locals[2]. However, these sectors have warned that such legislation will exacerbate existing labour shortages, fuelled by local resistance to working in industries that are deemed as 'undesirable'[3]. The Group will continue to track the demand in these industries while repositioning its offerings to attract a diverse group of clients to build resilience in its PBWA portfolio in Malaysia.

Student accommodation

As at 30 June 2020, the Group had a portfolio of approximately 6,433 beds across 21 operational PBSA assets in Australia, South Korea, Singapore, the UK, and the US.

As COVID-19 management measures over 1H 2020, all countries had implemented some extent of international travel bans or restrictions, and almost all universities had closed their campuses and moved curricula online, which led to many student-residents choosing to return home for the duration.

While many universities have since announced plans to offer blended online and on-campus programmes, uncertainty around the re-opening of university campuses and international travel as well as concerns around possible further COVID-19 outbreaks results in demand for PBSA beds remaining tentative for the upcoming September semester.

In the medium-term, possible declines in international student numbers due to travel and visa restrictions are likely to be offset by growth in domestic student numbers, considering that higher education is a viable alternative to unemployment during economic downturns[4].

In the long term, the Group believes that the education and student accommodation segment is resilient, and that pent-up demand will drive a fast recovery for dwell Student Living once study programmes and travel normalize.

United Kingdom

The Group's UK portfolio, comprising 11 assets, achieved an average occupancy of 74.2% for 1H 2020.

In April 2020, after due consideration of the needs of all residents and stakeholders, the Group announced that it would allow residents of its UK PBSA properties to terminate their tenancy leases early for the UK AY19-20, from 1 May 2020, should the resident choose to return home while university campuses were closed.

Based on the termination requests received, the reduction of revenue from this decision is approximately GBP3.1 million, which is at the lower end of the anticipated revenue reduction of between GBP3 million to GBP5 million.

Addressing prospective international students faced with uncertainty in their overseas study plans due to COVID-19, the UK government has promised to support international students and ensure immigration regulations remain flexible, and have reiterated their commitment to allow international students who have finished degrees at UK universities to receive a 2-year post-study work visa[5].

Due to uncertainty regarding when universities will reopen for on-campus education, bookings for the Group's accommodation in the UK for the new academic year remain soft in certain cities, with committed leases increasing gradually.

MANAGEMENT DISCUSSION AND ANALYSIS

Australia

In Australia, dwell Village Melbourne City (previously known as RMIT Village) had an average occupancy of 62.5% for 1H 2020, while dwell East End Adelaide had an average occupancy of 81.4% for 1H 2020.

While Melbourne, Victoria is currently locked down with a second wave of infections, other states in Australia have lifted movement restrictions and universities in Adelaide have announced campus re-openings by September 2020. As a result, occupancy in dwell Village Melbourne City continues to be impacted whereas demand for PBSA beds is returning in Adelaide.

Despite uncertain geopolitical relationship with China, and with travel restrictions still in place, the Australian business community and tertiary education sector has launched a new campaign to reassure Chinese tourists and students that they are welcome in the country[6].

Over the long term, the Group expects domestic student numbers to continue rising, and that Australia will remain an attractive destination for international students.

Singapore

In Singapore, dwell Selegie has been affected with a reduction of its bed capacity from 332 beds to 240 beds during 2Q 2020, as required by the Singapore Land Authority ("SLA").

Discussions are in progress with SLA regarding space requirements for the PBSA and possible adjustments to capacity post-COVID.

South Korea

dwell Dongdaemun in South Korea was impacted by the COVID-19 outbreak in mid-February 2020, when the country then had the world's second largest number of COVID-19 cases after China. This resulted in an average occupancy of 25.4% in 1H 2020, as universities closed their campuses, exchange programmes ceased and students returned home. The Group is expanding its marketing efforts for this asset to include young adults and working professionals already in Korea, as an alternative consumer audience during this period.

US

In the US, occupancy remained healthy for 1H 2020 despite the uncertainties around the COVID-19 situation.

Although the US recently implemented a ban on students who would be enrolled in online-only courses, this measure was quickly reversed to allow students who are already in the US or are returning from abroad with valid visas to take their classes entirely online, with the ban applicable only for new incoming students[7].

Furthermore, the US portfolio assets cater primarily to local and interstate domestic students, with international students accounting for less than 2% of portfolio occupancy.

As a result, international travel and student visa restrictions are not expected to have a material impact on the Group's occupancy rates in the US for the near term.

Remark:
1. Source: Channel NewsAsia – All foreign workers to be tested by mid-August, says COVID-19 task force, 17 July 2020
2. Source: The Edge Markets – Malaysia to only allow foreign workers in construction, plantation, agriculture sectors, 29 July 2020
3. Source: The Star – Mixed reactions to freeze on foreign worker intake, 24 June 2020
4. Source: Times Higher Education – COVID-19 could be a curse for graduates but a boon for universities, 2 April 2020
5. Source: ICEF Monitor – UK universities face a shortfall of "at least £463 million" in 2020/21, 10 Jun 2020
6. Source: China Daily – Australian businesses and educationists welcome Chinese tourists and students, 8 July 2020
7. Source: The New York Times – Gov't: New Foreign Students Can't Enter US if Courses Online, 24 July 2020

DISCLOSURE OF INTERESTS

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 as at 30 June 2020 had any interest in the Shares or debentures of the Company or its related corporations, except as follows:

	Direct Interest		Deemed Interest	
	at 30.6.2020	at 1.1.2020	**at 30.6.2020**	at 1.1.2020
Centurion Corporation Limited				
(No. of ordinary shares)				
Gn Hiang Meng	**–**	–	**247,500**	247,500
Loh Kim Kang David[(i)]	**37,506,450**	33,536,950	**426,456,126**	445,956,126
Han Seng Juan	**32,352,600**	29,727,300	**433,703,626**	453,703,626
Wong Kok Hoe	**10,000,000**	–	**–**	–
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

Notes:

(i) As at 30 June 2020, Loh Kim Kang David ("Mr Loh") also has a direct interest in the Fixed Rate Notes due 2022 issued by the Company on 1 February 2019 ("Fixed Rate Notes due 2022") for an aggregate principal amount of S$500,000 (as at 1 January 2020: Direct interest in the Fixed Rate Notes due 2022 for an aggregate principal amount of S$1,000,000).

(ii) As at 30 June 2020, Teo Peng Kwang also has a direct interest in the Fixed Rate Notes due 2022 for an aggregate principal amount of S$3,000,000 (as at 1 January 2020: Direct interest in the Fixed Rate Notes due 2022 for an aggregate principal amount of S$3,000,000).

(iii) As at 30 June 2020, Kong Chee Min also has a direct interest in the Fixed Rate Notes due 2022 for an aggregate principal amount of S$1,500,000 (as at 1 January 2020: Direct interest in the Fixed Rate Notes due 2022 for an aggregate principal amount of S$1,000,000).

(b) Mr Loh and Han Seng Juan ("Mr Han"), 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.

DISCLOSURE OF INTERESTS

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

As at 30 June 2020, 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 Rules Governing the Listing of Securities on the SEHK (the "HK Listing Rules"), are as follows:

Long positions in the Shares and underlying shares and debentures 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	Beneficial owner	37,506,450(L)(4)	4.46	Interest of controlled corporation	425,756,126(L)(3)(6)	50.64	463,462,576(L)(11)	55.12
				Interest of spouse	200,000(L)(5)(6)	0.02		
Han Seng Juan	Beneficial owner	32,352,600(L)(8)	3.85	Interest of controlled corporation	425,756,126(L)(7)	50.64	466,056,226(L)(12)	55.43
				Interest of spouse	7,947,500(L)(9)	0.94		
Gn Hiang Meng	–	–	–	Interest of spouse	247,500(L)(10)	0.03	247,500(L)	0.03
Teo Peng Kwang	Beneficial owner	63,723,330(L)(13)	7.58	–	–	–	63,723,330(L)	7.58
Wong Kok Hoe	Beneficial owner	10,000,000(L)(14)	1.19	–	–	–	10,000,000(L)(14)	1.19
Kong Chee Min (CEO)	Beneficial owner	172,905(L)	0.02	–	–	–	172,905(L)	0.02

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 30 June 2020.

(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 have an interest in 425,756,126 Shares held by Centurion Properties.

(4) Of the 37,506,450 Shares held by Mr Loh, 15,837,450 Shares are registered in the name of UOB Kay Hian Private Limited, 1,700,000 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, 4,000,000 Shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited and 1,345,000 Shares are registered in the name of Standard Chartered Bank (Hong Kong) Ltd.

(5) Mr Loh is also deemed to have an interest in 200,000 Shares held by his spouse, Wong Wan Pei.

(6) The deemed interest of Mr Loh under Section 352 of the SFO is not required to include the interest in 500,000 Shares held by his child, Loh Zi Qing Charlotte (who was over the age of 18 but below the age of 21 as at 30 June 2020).

Mr Loh is deemed to have an interest in 500,000 Shares held by his child, Loh Zi Qing Charlotte, under Section 164 of the Companies Act (Cap 50) of Singapore and Sections 133(4)(a) and 133(6) of the Securities and Futures Act (Cap 289) of Singapore.

(7) Mr Han holds a 50% shareholding interest in Centurion Global. Mr Han is, therefore, deemed to have an interest in 425,756,126 Shares held by Centurion Properties, a wholly-owned subsidiary of Centurion Global.

DISCLOSURE OF INTERESTS

(8) Of the 32,352,600 Shares held by Mr Han, 5,898,400 Shares are registered in the name of Citibank Nominees Singapore Pte Ltd, 2,370,700 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, 49,000 Shares are registered in the name of UOB Kay Hian (Hong Kong) Limited, 3,388,500 Shares are registered in the name of Maybank Kim Eng Securities Pte Ltd, 5,193,700 Shares are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd and 2,785,000 Shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited.

(9) Mr Han is also deemed to have an interest in 7,947,500 Shares held by his spouse, Kang Lee Cheng Susanna.

(10) Gn Hiang Meng is deemed to have an interest in 247,500 Shares held by his spouse, Loo Bee Hoon.

(11) Of these Shares, 34,461,450 Shares held by Mr Loh and 425,000,000 Shares held by Centurion Properties as his deemed interest have been pledged to independent third party financial institution(s).

(12) Of these Shares, 21,246,300 Shares held by Mr Han and 425,000,000 Shares held by Centurion Properties as his deemed interest have been pledged to independent third party financial institution(s).

(13) 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.

(14) The 10,000,000 Shares held by Wong Kok Hoe are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd and have been pledged to independent third party financial institution(s).

Interest in debentures of the Company

S$60,000,000 aggregate principal amount of the Fixed Rate Notes due 2022

	Nature of interest	Principal amount of the Fixed Rate Notes due 2022 held	Approximate percentage of the interest in the Fixed Rate Notes due 2022
Loh Kim Kang David	Beneficial owner	S$500,000	0.83%
Teo Peng Kwang	Beneficial owner	S$3,000,000	5.00%
Kong Chee Min	Beneficial owner	S$1,500,000	2.50%

Note:

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

Save as disclosed above, as at 30 June 2020, 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.

DISCLOSURE OF INTERESTS

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 30 June 2020, 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)	425,756,126	50.64	–	–	425,756,126	50.64
Centurion Global Ltd(3)	–	–	425,756,126	50.64	425,756,126	50.64

Notes:

(1) Based on 840,778,624 issued Shares as at 30 June 2020.

(2) Of the 425,756,126 Shares held by 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. Centurion Global is, therefore, deemed to have an interest in 425,756,126 Shares held by Centurion Properties. Centurion Global is owned equally by Mr Loh and Mr Han, both of whom are controlling shareholders, non-executive Directors and Joint Chairmen.

Save as disclosed above, as at 30 June 2020, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2020, there were 398 (30 June 2019: 371) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for the six months ended 30 June 2020 were approximately S$12,315,000 (1H 2019: S$10,622,000). Staff remuneration packages are determined based on each employee's qualifications, experience, position and seniority.

The Group also provides other staff benefits including medical and Group Personal Accident insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and the Group's results of operations.

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

There was no purchase, sale or redemption of listed securities of the Company during the six months ended 30 June 2020.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in the interim report, there was no material acquisition and significant investments held for the six months ended 30 June 2020.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition and disposal for the six months ended 30 June 2020.

SHARE CAPITAL

Details of the Company's issued share capital during the period are set out in Note 22 to the interim report. There were no movements in the Company's issued share capital during the period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this interim report, the Company has maintained the prescribed minimum percentage of public float from 1 January 2020 to 30 June 2020 under the HK Listing Rules.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three Independent Non-Executive Directors, as follows:

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

The Audit Committee has reviewed the Group's unaudited interim report for the six months ended 30 June 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

The Company has adopted the principles and practices of corporate governance in line with the Principles and Provisions as set out in the Singapore Code of Corporate Governance 2018 (the "2018 Code") and the applicable code provisions of the Corporate Governance Code (the "HK CG Code") as set out in Appendix 14 to the HK Listing Rules.

In the event of any conflict between the 2018 Code and HK CG Code, the Company will comply with the more stringent requirements. Throughout the six months ended 30 June 2020, the Company has complied with applicable provisions in the 2018 Code and HK CG Code, except those appropriately justified and disclosed.

COMPLIANCE WITH SGX-ST LISTING MANUAL AND HONG KONG MODEL CODE

In compliance with Rule 1207(19) of the Listing Manual (the "Listing Manual") of SGX-ST and the Model Code as set out in Appendix 10 to the HK Listing Rules, the Company has adopted the Code of Best Practices on Securities Transactions by the Company and its Directors and Officers as its code for securities transactions by its Directors and Officers pursuant to the Listing Manual of the SGX-ST and the Model Code's best practices on dealings in securities. In furtherance, specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2020.

The Company, the Directors and its Officers are not allowed to deal in the Company's securities at all times whilst in possession of unpublished price sensitive information and during the "closed" window period as defined in the Company's Code of Best Practices on Securities Transactions by the Company and its Directors and Officers.

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

The Directors, Management and officers of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading period or they are in possession of unpublished price-sensitive information of the Company and they are not to deal in the Company's securities on short-term considerations.

CHANGES OF INFORMATION OF DIRECTORS

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

(a) Ms Tan Poh Hong has been appointed as a member of the Board of Governors of Singapore Polytechnic with effect from 1 April 2020.

(b) Mr Chandra Mohan s/o Rethnam has been appointed as:

  (i) Vice Chairman of the Singapore Indian Chamber of Commerce and Industry (SICCI) with effect from 9 April 2020; and

  (ii) SICCI Representative to the Advisory Council on Community Relations in Defence (Employer & Business) (ACCORD (E&B) Council) with effect from 5 May 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board has not declared an interim dividend in respect of the six months ended 30 June 2020 (30 June 2019: 1.0 Singapore cent per ordinary share).

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The consolidated financial results for the six months ended 30 June 2020 of the Group have not been audited or reviewed by the auditors 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 the six months ended 30 June 2020.

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.

By Order of the Board
Centurion Corporation Limited
Wong Kok Hoe
Executive Deputy Chairman

28 August 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	For the six months ended 30 June 2020 $'000 (unaudited)	For the six months ended 30 June 2019 $'000 (unaudited)
Revenue	4	**66,590**	64,192
Cost of sales		**(18,523)**	(17,198)
Gross profit		**48,067**	46,994
Other income and gains	5,6	**2,344**	657
Expenses			
– Distribution expenses		**(666)**	(556)
– Administrative expenses		**(13,163)**	(11,171)
– Finance expenses	7	**(12,239)**	(14,468)
Share of profit of associated companies and joint venture		**3,606**	2,900
Profit before income tax		**27,949**	24,356
Income tax expense	8	**(4,064)**	(3,798)
Total profit		**23,885**	20,558
Profit attributable to:			
Equity holders of the Company		**21,005**	18,067
Non-controlling interests		**2,880**	2,491
		23,885	20,558
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share (cents)	9(a)	**2.50**	2.15
Diluted earnings per share (cents)	9(b)	**2.50**	2.15

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Total profit	**23,885**	20,558
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Financial assets, at FVOCI — debt instruments		
– Fair value (losses)/gains	**(310)**	329
– Reclassification	**34**	150
Cash flow hedges		
– Fair value losses	**(5,997)**	(1,118)
– Reclassification	**638**	–
Share of other comprehensive gains/(losses) of associated companies and joint venture	**942**	(578)
Currency translation losses arising from consolidation	**(5,744)**	(4,453)
Other comprehensive loss, net of tax	**(10,437)**	(5,670)
Total comprehensive income	**13,448**	14,888
Total comprehensive income attributable to:		
Equity holders of the Company	**10,557**	12,387
Non-controlling interests	**2,891**	2,501
	13,448	14,888

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

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2020

	Note	Group 30 Jun 2020 $'000 (unaudited)	Group 31 Dec 2019 $'000
ASSETS			
Current assets			
Cash and bank balances	10	**65,082**	48,588
Trade and other receivables	11	**9,387**	8,060
Inventories		**67**	44
Other assets		**8,013**	6,748
Financial assets, at fair value through other comprehensive income		**8,723**	9,165
		91,272	72,605
Assets held for sale	12	**10,241**	5,447
		101,513	78,052
Non-current assets			
Other assets		**994**	994
Financial assets, at fair value through profit or loss		**152**	156
Investments in associated companies	13	**111,796**	108,918
Investment in a joint venture	14	**4,728**	4,819
Investment properties	15	**1,263,897**	1,275,879
Property, plant and equipment	16	**8,864**	10,149
		1,390,431	1,400,915
Total assets		**1,491,944**	1,478,967
LIABILITIES			
Current liabilities			
Trade and other payables	17	**38,799**	40,496
Current income tax liabilities		**10,117**	7,092
Borrowings	18	**32,059**	55,780
Lease liabilities	19	**6,922**	6,738
		87,897	110,106
Non-current liabilities			
Derivative financial instruments		**6,997**	1,638
Other liabilities		**116**	131
Deferred income tax liabilities		**9,847**	9,796
Borrowings	18	**711,505**	683,259
Lease liabilities	19	**56,679**	60,172
		785,144	754,996
Total liabilities		**873,041**	865,102
NET ASSETS		**618,903**	613,865
EQUITY			
Capital and reserves attributable to the equity holders of the company			
Share capital	22	**142,242**	142,242
Other reserves		**(41,580)**	(31,132)
Retained profits		**493,676**	481,081
		594,338	592,191
Non-controlling interests		**24,565**	21,674
Total equity		**618,903**	613,865

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Attributable to equity holders of the Company					
For the six months ended 30 June 2020 (unaudited)							
Beginning of financial period		142,242	(31,132)	481,081	592,191	21,674	613,865
Profit for the period		–	–	21,005	21,005	2,880	23,885
Other comprehensive loss for the period		–	(10,448)	–	(10,448)	11	(10,437)
Total comprehensive income for the period		–	(10,448)	21,005	10,557	2,891	13,448
Dividends relating to 2019 paid	23	–	–	(8,410)	(8,410)	–	(8,410)
Total transactions with owners, recognised directly in equity		–	–	(8,410)	(8,410)	–	(8,410)
End of financial period		**142,242**	**(41,580)**	**493,676**	**594,338**	**24,565**	**618,903**
For the six months ended 30 June 2019 (unaudited)							
Beginning of financial period		142,242	(32,536)	397,609	507,315	17,636	524,951
Profit for the period		–	–	18,067	18,067	2,491	20,558
Other comprehensive loss for the period		–	(5,680)	–	(5,680)	10	(5,670)
Total comprehensive income for the period		–	(5,680)	18,067	12,387	2,501	14,888
Dividends relating to 2018 paid	23	–	–	(8,408)	(8,408)	–	(8,408)
Acquisition of additional shares in a subsidiary from non-controlling interest		–	(202)	–	(202)	202	–
Total transactions with owners, recognised directly in equity		–	(202)	(8,408)	(8,610)	202	(8,408)
End of financial period		**142,242**	**(38,418)**	**407,268**	**511,092**	**20,339**	**531,431**

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	For the six months ended 30 June 2020 $'000 (unaudited)	2019 $'000 (unaudited)
Cash flows from operating activities			
Total profit		**23,885**	20,558
Adjustments for:			
– Income tax expense		**4,064**	3,798
– Depreciation		**1,726**	1,451
– Allowance for impairment of trade and other receivables		**1,476**	52
– Net loss on disposal of plant and equipment		**3**	57
– Interest income		**(444)**	(631)
– Finance expenses		**12,239**	14,468
– Share of profit of associated companies and joint venture		**(3,606)**	(2,900)
– Loss on disposal of financial assets, at FVOCI		**34**	150
– Unrealised currency translation differences		**(22)**	(65)
Operating cash flow before working capital changes		**39,355**	36,938
Change in working capital			
– Inventories		**(23)**	2
– Trade and other receivables		**(2,815)**	3,665
– Other assets		**(1,594)**	49
– Trade and other payables		**(2,020)**	(9,484)
Cash generated from operations		**32,903**	31,170
Income tax paid		**(729)**	(3,805)
Net cash provided by operating activities		**32,174**	27,365
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**4**	92
Additions to investment properties		**(1,592)**	(5,369)
Purchases of property, plant and equipment		**(728)**	(727)
Interest received		**457**	582
Dividends received from associated companies		**1,761**	4,744
Short-term bank deposits released as security to bank		**16**	18
Deposits refunded for acquisition of investment property		**921**	–
Purchase of financial assets, at FVOCI		**(2,250)**	–
Proceeds from disposal of financial assets, at FVOCI		**2,500**	–
Net cash provided by/(used in) investing activities		**1,089**	(660)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	For the six months ended 30 June 2020 $'000 (unaudited)	2019 $'000 (unaudited)
Cash flows from financing activities			
Proceeds from borrowings		**22,277**	44,470
Repayment of borrowings		**(13,819)**	(57,277)
Interest paid on borrowings		**(11,082)**	(13,309)
Dividends paid to equity holders of the company		**(8,410)**	(8,408)
Cash provided by non-controlling interests		**–**	300
Repayment of loan from associated company		**–**	(861)
Interest paid on lease liabilities		**(1,150)**	(689)
Repayment of principal portion of lease liabilities		**(3,381)**	(1,799)
Net cash used in financing activities		**(15,565)**	(37,573)
Net increase/(decrease) in cash and cash equivalents held		**17,698**	(10,868)
Cash and cash equivalents			
Beginning of financial period		**46,378**	61,358
Effects of currency translation on cash and cash equivalents		**(252)**	(224)
End of financial period	10	**63,824**	50,266

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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

1 GENERAL INFORMATION

The Company is incorporated and domiciled in the Republic of Singapore and is dual listed on both the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and The Stock Exchange of Hong Kong Limited (the "SEHK"). The address of its registered office is 45 Ubi Road 1,#05–01, Singapore 408696.

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim financial report contains condensed consolidated financial statements comprising of the balance sheet as at 30 June 2020 and 31 December 2019, statement of profit or loss, statement of comprehensive income, statement of cashflow and statement of changes in equity for the six months ended 30 June 2020 and 30 June 2019, and selected explanatory notes.

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2020 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting" and the applicable disclosure requirement set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs").

For the purpose of SFRS(I)s, financial statements that have been prepared in accordance and complied with IFRS are deemed to have also complied with SFRS(I)s. SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as "IFRS" in these financial statements, unless specified otherwise.

The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2019 annual financial statements. The unaudited condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

Except as described below, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those set out in the Group's annual financial statements for the year ended 31 December 2019.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

In the current interim period, the Group has applied, for the first time, the following new and revised IFRSs for the preparation of the Group's unaudited condensed consolidated financial statements:

IFRS 3	Amendments to IFRS 3 Business Combination
IAS 1 and IAS 8	Amendments to IAS 1 And IAS 8: Definition of Material
IFRS 9 and IFRS 7	Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

The adoption of the new and revised IFRSs in the current interim period has had no material impact on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these consolidated financial statements.

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 16	Amendment to IFRS 16: Covid-19-Related Rent Concessions	1 June 2020
IAS 37	Amendment to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

The Group has not applied new and revised SFRS(I)s and IFRSs that have been issued but are not effective.

2.3 New accounting standards and accounting changes

In the current period, the Group has adopted all the new and revised SFRS(I)s and IFRSs that are relevant to its operations and effective for its accounting period beginning on 1 January 2020. The adoption of these new and revised SFRS(I)s and IFRSs did not resulted in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior periods.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuation of investment properties

As at 30 June 2020, the carrying value of the Group's investment properties of $1,263,897,000 accounted for 85% of the Group's total assets. The Group, in 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.

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 well as its share of results of associated companies and joint venture. As at 30 June 2020, the carrying value of the Group's investment in associated companies and joint venture accounted for using the equity method of accounting amounted to $111,796,000 (31 Dec 2019: $108,918,000) (Note 13) and $4,728,000 (31 Dec 2019: $4,819,000) (Note 14) respectively. The Group's share of results recognised in profit or loss and other comprehensive income 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 13) and joint venture (Note 14). The valuation techniques and processes applied for these investment properties are aligned with the Group policy.

No fair valuation was conducted by the independent valuers on the Group's investment properties as at 30 June 2020 as the Group's annual valuation exercises are performed at the end of each financial year.

The value of the investment properties of the Group as at 30 June 2020 are based on independent valuations as at 31 December 2019. An internal assessment was conducted on the Group's Investment properties for any material impact to its fair value as at 30 June 2020 due to COVID-19. Independent market data and information for purpose-built student accommodation ("PBSA") and purpose-built workers accommodation ("PBWA") particularly the major inputs used for valuation such as capitalization rates and market rental rates as at 30 June 2020 were obtained. No significant movements of the valuation inputs were observed. While there is a lack of visibility regarding future cash flows due to occupancy rates, the effect on COVID-19 is expected to be temporary. Based on the assessment supported with latest information on key inputs, no material changes in the valuation of the investment properties is expected arising from COVID-19.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

4 REVENUE

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Rental income from investment properties	**63,135**	59,522
Revenue from contracts with customers (IFRS 15)		
Other revenue from accommodation business	**1,959**	2,970
Sale of optical storage media	**327**	593
Management services	**1,169**	1,107
	3,455	4,670
	66,590	64,192

5 OTHER INCOME

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Interest income	**444**	631
Government grants income	**1,890**	59
Government grants expenses	**(192)**	–
	2,142	690

6 OTHER GAINS/(LOSSES)

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Currency exchange gain/(loss) – net	**153**	(3)
Net loss on disposal of plant and equipment	**(3)**	(57)
Financial assets, at FVOCI		
– reclassification from other comprehensive income on disposal	**(34)**	(150)
Others	**86**	177
	202	(33)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

7 FINANCE EXPENSES

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Interest expense:		
– bank borrowings	**9,868**	12,936
– lease liabilities	**1,150**	690
– associated company	**505**	720
– non-controlling interests	**78**	118
– interest rate swap	**638**	4
Finance expenses recognised in profit and loss	**12,239**	14,468

8 INCOME TAXES

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Tax expense attribute to the profit is made up of:		
– Profit for the financial period		
Current income tax		
– Singapore	**2,711**	2,332
– Foreign	**1,405**	1,488
	4,116	3,820
Deferred income tax	**2**	(43)
	4,118	3,777
– (Over)/under provision in prior financial periods		
Current income tax	**(50)**	(78)
Deferred income tax	**(4)**	99
	4,064	3,798

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

9 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 period.

	For the six months ended 30 June	
	2020 (unaudited)	2019 (unaudited)
Net profit attributable to equity holders of the Company ($'000)	**21,005**	18,067
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**840,779**	840,779
Basic earnings per share (cents)	**2.50**	2.15

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

The basic and diluted earnings per share are the same, as the Company has no dilutive potential ordinary shares.

10 CASH AND BANK BALANCES

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Cash at bank and on hand	**23,917**	23,977
Short-term bank deposits	**41,165**	24,611
	65,082	48,588

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprised the following:

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Cash and bank balances (as above)	**65,082**	51,818
Less: Short-term bank deposits charged as security to bank	**(1,258)**	(1,388)
Less: Bank overdrafts	**–**	(164)
Cash and cash equivalents per consolidated statement of cash flows	**63,824**	50,266

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

10 CASH AND BANK BALANCES (CONTINUED)

As at 30 June 2020, short-term bank deposits of the Group amounting to $1,258,000 (30 June 2019: $1,388,000) were charged as security to banks as a guarantee in relation to bank facilities.

The reconciliation of liabilities arising from financing activities as at 31 December 2019 and 30 June 2020 are as follows:

	31 Dec 2019 $'000	Cash flows $'000	Non-cash items $'000	Interest expense $'000	Currency translation differences $'000	30 Jun 2020 $'000 (unaudited)
Bank borrowings (Note 18)	627,648	8,458	–	8	(3,056)	**633,058**
Notes payable (Note 18)	59,578	–	–	98	–	**59,676**
Lease liabilities (Note 19)	66,910	(4,531)	191	1,150	(119)	**63,601**
Loan from non-controlling interests (Note 18)	7,150	–	–	–	(1)	**7,149**
Loan from associated company (Note 18)	42,328	–	–	–	–	**42,328**
Interest payable (Note 18)	1,380	(1,664)	–	1,637	–	**1,353**
Derivative financial instruments	1,638	(638)	5,359	638	–	**6,997**
Accrued interest expense	624	(4,249)	–	8,708	–	**5,083**
	807,256	(2,624)	5,550	12,239	(3,176)	**819,245**

11 TRADE AND OTHER RECEIVABLES

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 balance sheet dates, the ageing analysis of the trade receivables based on invoice date is as follows:

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Up to 3 months	**5,118**	3,057
3 to 6 months	**254**	446
Over 6 months	**776**	689
	6,148	4,192
Less: Cumulative allowance for impairment	**(2,348)**	(883)
	3,800	3,309

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

12 ASSETS HELD FOR SALE

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Details of the assets classified as held-for-sale are as follows:		
Beginning of the financial period/year	**5,447**	5,586
Currency translation differences	**(95)**	87
Transferred from investment properties (Note 15)	**4,889**	–
Net fair value loss recognised in profit or loss	**–**	(226)
End of financial period/year	**10,241**	5,447

13 INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Beginning of financial period/year	**108,918**	116,699
Currency translation differences	**1,068**	(419)
Share of fair value losses from cash flow hedges	**(25)**	(36)
Share of profit	**3,595**	427
Dividends received	**(1,761)**	(7,817)
Share of loss in excess of investment in an associated company	**1**	64
End of financial period/year	**111,796**	108,918

There are no contingent liabilities relating to the Group's interests in the associated companies.

14 INVESTMENT IN A JOINT VENTURE

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Beginning of financial period/year	**4,819**	4,604
Currency translation differences	**(102)**	(147)
Share of profit	**11**	362
End of financial period/year	**4,728**	4,819

There are no contingent liabilities relating to the Group's interests in the joint venture.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

15 INVESTMENT PROPERTIES

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Beginning of financial period/year	**1,275,879**	1,097,191
Adoption of IFRS 16	**–**	40,857
Currency translation differences	**(8,577)**	4,568
Additions to investment properties	**1,306**	66,771
Right-of-use assets recognised	**178**	–
Net fair value gains recognised in profit or loss	**–**	66,492
Transferred to assets held for sale (Note 12)	**(4,889)**	–
End of financial period/year	**1,263,897**	1,275,879

Investment properties are leased to non-related parties under operating leases (Note 21).

Included in additions are acquisition of an investment property of $Nil (31 Dec 2019: $26,974,000) and capitalised expenditure of $1,306,000 (31 Dec 2019: $10,788,000).

Certain investment properties and assets held for sale are pledged as security for the bank facilities extended to subsidiaries (Note 18(a)). The carrying values of these investment properties and assets held for sale (Note 12) amounted to approximately $1,193,199,000 (31 Dec 2019: $1,200,451,000).

16 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the additions and disposals of the Group's property, plant and equipment amounted to $724,000 and $7,000 respectively.

17 TRADE AND OTHER PAYABLES

At 30 June 2020, 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	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Up to 3 months	**1,843**	1,644
3 to 6 months	**431**	90
Over 6 months	**331**	417
	2,605	2,151

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

18 BORROWINGS

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Current		
Bank overdrafts (Note 10)	–	955
Bank borrowings (Note (a))	**28,606**	50,437
Loan from an associated company (Note (c))	**2,100**	3,008
Interest payable	**1,353**	1,380
	32,059	55,780
Non-current		
Bank borrowings (Note (a))	**604,452**	577,211
Loan from non-controlling interests (Note (d))	**7,149**	7,150
Loan from an associated company (Note (c))	**40,228**	39,320
Notes payables (Note (b))	**60,000**	60,000
Less: Transaction costs	**(324)**	(422)
	59,676	59,578
	711,505	683,259
Total borrowings	**743,564**	739,039

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	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
– not later than one year	**32,059**	55,780
– between one to five years	**454,162**	448,636
– after five years	**257,343**	234,623
	743,564	739,039

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

18 BORROWINGS (CONTINUED)

At balance sheet date, the Group's bank borrowings were repayable as follows:

	Group	
	30 Jun 2020 $'000 (unaudited)	**31 Dec 2019 $'000**
Within one year	**28,606**	51,392
Between one and two years	**90,221**	83,014
Between two and five years	**289,086**	274,639
After five years	**225,145**	219,558
	633,058	628,603

At balance sheet date, the Group's other loans were repayable as follows:

	Group	
	30 Jun 2020 $'000 (unaudited)	**31 Dec 2019 $'000**
Within one year	**3,453**	4,388
Between one and two years	**3,600**	7,656
Between two and five years	**71,255**	83,327
After five years	**32,198**	15,065
	110,506	110,436

(a) Bank borrowings

Bank borrowings are subject to floating interest rates of which $145,012,000 (31 Dec 2019: $123,982,000) are managed with interest rates are swapped into fixed interest rates. The carrying amounts of the non-current borrowings approximated their fair values.

Total borrowings include secured liabilities of $572,258,000 (31 Dec 2019: $575,853,000) for the Group. These borrowings are secured over certain bank deposits (Note 10), investment properties (Note 15) and assets held for sale (Note 12).

(b) Notes payables

The MTN Programme was established on 6 September 2013 and 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

18 BORROWINGS (CONTINUED)

(b) Notes payables (Continued)

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.

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.

As at 30 June 2020, the Group is in compliance with all relevant financial covenants and the borrowings have been classified and presented appropriately based on the agreed terms.

(c) Loan from an associated company

The loan from an associated company is unsecured with fixed repayment terms.

The interest on the loan from an associated company is calculated based on the floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

(d) 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 $779,000 (31 December 2019: $780,000) which is calculated based on fixed rates. The carrying amounts of the non-current borrowings approximate their fair values.

(e) Fair value of current and non-current borrowings

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Notes payables	**59,208**	60,075

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

19 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	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
– not later than one year	**6,922**	6,738
– between one to five years	**23,168**	27,542
– after five years	**33,511**	32,630
	63,601	66,910

20 LEASES — THE GROUP AS A LESSEE

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
(a) Amounts recognised in the balance sheet		
Right-of-use assets		
Property, plant and equipment – Leased office space	**1,232**	1,416
Investment properties	**65,746**	65,712
Lease liabilities		
Current	**6,922**	6,738
Non-current	**56,679**	60,172
	63,601	66,910

Addition to right-of use assets during the financial period was $178,000 (31 December 2019: $30,486,000), of which $178,000 (31 December 2019: $29,009,000) relates to investment properties.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

20 LEASES — THE GROUP AS A LESSEE (CONTINUED)

(b) Amounts recognised in the statement of profit or loss relating to lease

		Group For the six months ended 30 June	
		2020 $'000 (unaudited)	2019 $'000 (unaudited)
(i)	Depreciation charge – leased office space	**184**	–
(ii)	Interest expense on lease liabilities	**1,150**	689
(iii)	Lease expense not capitalised in lease liabilities		
	Lease expenses – short term leases	**372**	764
	Lease expense – low value leases	**45**	60
	Variable lease payments which do not depend on an index or rate	**160**	137
	Total	**577**	961

(c) Total cash outflow for all the leases in the six months ended 30 June 2020 was $5,108,000 (30 June 2019: $3,449,000).

21 LEASES — THE GROUP AS A LESSOR

Undiscounted lease payments from the operating leases to be received by the Group as a lessor after the reporting date are as follows:

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Less than one year	**62,622**	72,636
One to two years	**7,196**	7,461
Two to three years	**648**	733
Three to four years	**540**	540
Four to five years	**540**	540
More than five years	**6,795**	7,065
Total undiscounted lease payment	**78,341**	88,975

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

22 SHARE CAPITAL AND TREASURY SHARES

	Group	
	No. of ordinary shares Issued share capital '000	Share capital $'000
2020		
Beginning and end of financial period (unaudited)	**840,779**	142,242

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.

23 DIVIDENDS

	Group	
	30 Jun 2020 $'000 (unaudited)	30 Jun 2019 $'000 (unaudited)
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 1.0 Singapore cent (2019: final exempt dividend paid in respect of the previous financial year of 1.0 Singapore cent) per share	**8,410**	8,408

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

24 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 13), are as follows:

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Property, plant and equipment	**–**	22
Investment properties	**15,064**	9,610

(b) 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 $75,778,000 (31 Dec 2019: $76,965,000). As at 30 June 2020, the amount of the guaranteed loans drawn down by associated companies and a joint venture amounted to $74,279,000 (31 Dec 2019: $75,467,000).

As at 30 June 2020 and 31 December 2019, the fair value of the corporate guarantee were insignificant.

Except for the corporate guarantees disclosed above, the Group did not have any other contingent liabilities as at end of current and prior financial periods.

25 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 For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Services provided to immediate holding corporation	**41**	45
Services provided to associated companies	**1,183**	1,136
Purchases from associate	**711**	531
Purchases from a company which a director has an interest	**49**	6
Interest charged by associated company	**505**	720
Interest charged by non-controlling interest	**78**	118

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personal compensation

The key management personal compensation is as follows:

	Group For the six months ended 30 June	
	2020 $'000 (unaudited)	2019 $'000 (unaudited)
Wages and salaries	**2,567**	2,254
Employer's contribution to defined contribution plan, including Central Provident Fund	**78**	78
	2,645	2,332

Included in above, total compensation to directors of the Company amounted to $1,240,000 (30 June 2019: $636,000).

26 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 CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

26 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for six months ended 30 June 2020 is as follows:

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Six months ended 30 June 2020: (unaudited)				
Revenue:				
Sales to external parties	45,172	21,068	350	66,590
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	1,456	503	327	2,286
– Over time	337	832	–	1,169
	1,793	1,335	327	3,455
Segment results	27,010	9,125	3	36,138
Finance expense	(7,561)	(4,678)	–	(12,239)
Interest income				444
Share of profit of associated companies and joint venture	2,545	1,039	22	3,606
Profit before tax				27,949
Income tax expense				(4,064)
Net profit				**23,885**
As at 30 June 2020 (unaudited)				
Segment assets	802,073	516,956	6,153	1,325,182
Short-term bank deposits				41,165
Financial assets, at FVOCI				8,723
Tax recoverable				350
Investments in associated companies	78,029	32,629	1,138	111,796
Investment in a joint venture	–	4,728	–	4,728
Consolidated total assets				**1,491,944**
Segment liabilities	87,595	21,554	364	109,513
Borrowings	438,706	304,858	–	743,564
Current income tax liabilities				10,117
Deferred income tax liabilities				9,847
Consolidated total liabilities				**873,041**
Other segment items:				
Capital expenditure	1,277	753	–	2,030
Depreciation	1,127	582	17	1,726

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

26 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for the six months ended 30 June 2019 is as follows:

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Six months ended 30 June 2019: (unaudited)				
Revenue:				
Sales to external parties	40,479	22,992	721	64,192
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	2,129	841	593	3,563
– Over time	339	768	–	1,107
	2,468	1,609	593	4,670
Segment results	25,273	9,825	195	35,293
Finance expense	(9,490)	(4,977)	(1)	(14,468)
Interest income				631
Share of profit/(loss) of associated companies and joint venture	2,614	364	(78)	2,900
Profit before tax				24,356
Income tax expense				(3,798)
Net profit				**20,558**
As at 31 December 2019				
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 CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

26 SEGMENT INFORMATION (CONTINUED)

Segment assets consist primarily of property, plant and equipment, investment property, inventories, receivables, other current assets and operating cash, and exclude tax recoverable, 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.

27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2020 and 31 December 2019 on a recurring basis:

Fair value measurements

	Level 1 $'000	Level 2 $'000	Level 3 $'000
As at 30 June 2020 (unaudited)			
Assets			
Financial assets, at FVOCI	**8,723**	**–**	**–**
Financial assets, at fair value through profit or loss	**–**	**–**	**152**
Liabilities			
Derivative financial instruments	**–**	**6,997**	**–**
As at 31 December 2019			
Assets			
Financial assets, at FVOCI	9,165	–	–
Financial assets, at fair value through profit or loss	–	–	156
Liabilities			
Derivative financial instruments	–	1,638	–

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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.

There were no transfers between the levels of the fair value hierarchy in the six months ended 30 June 2020. There were also no changes made to any of the valuation techniques applied as of 31 December 2019.

Financial instruments by category

The carrying amount of the different categories of the financial instruments are as disclosed on the face of the balance sheet to the financial statements, except for the following:

	Group	
	30 Jun 2020 $'000 (unaudited)	31 Dec 2019 $'000
Financial assets at amortised cost	**79,703**	62,818
Financial liabilities at amortised cost	**839,383**	838,214