



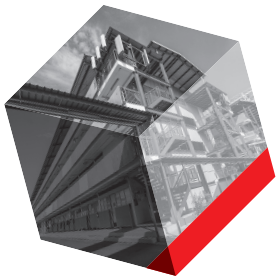
Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

SGX Stock Code: OU8

SEHK Stock Code: 6090



A DECADE
OF **GROWTH**,
WELL POISED
FOR **THE FUTURE**

INTERIM REPORT **2022**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Loh Kim Kang David (*Joint Chairman*)
Wong Kok Hoe (*Deputy Chairman*)
Teo Peng Kwang

Non-Executive

Han Seng Juan (*Joint Chairman*)

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

EXECUTIVE COMMITTEE

Loh Kim Kang David (*Chairman*)
Han Seng Juan
Wong Kok Hoe
Teo Peng Kwang
Kong Chee Min

COMPANY SECRETARIES

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Cheung Yuet Fan (*Hong Kong Company Secretary*)

REGISTERED OFFICE

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

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
77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tel : (65) 6593 4848

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Tel : (852) 2980 1333
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

Yeow Chee Keong
(Appointed since financial year beginning
1 January 2022)

AUTHORISED REPRESENTATIVES

Wong Kok Hoe
Cheung Yuet Fan

COMPANY WEBSITE

www.centurioncorp.com.sg

STOCK CODES

Singapore: OU8
Hong Kong: 6090

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

45 Ubi Road 1 #05-01
Singapore 408696

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 the six months ended 30 June 2022 (“1H 2022”), together with the relevant unaudited comparative figures for the six months ended 30 June 2021 (“1H 2021”).

CONSOLIDATED RESULTS

	1H 2022 S\$'000	1H 2021 S\$'000	% change + / (-)
Revenue	90,528	64,727	40
Gross profit	60,915	43,461	40
Net profit after tax	35,073	9,098	286
Profit attributable to equity holders	32,898	8,735	277
Dividend per share (cents)	0.50	–	N/M

NON-IFRS FINANCIAL MEASURES

Profit from core business operations [#]	32,392	23,957	35
Profit from core business operations attributable to equity holders	28,958	20,384	42
Basic earnings per share from core business operations (cents) based on weighted average number of ordinary shares	3.44	2.42	42

CONDENSED CONSOLIDATED BALANCE SHEET

	Group	
	30 Jun 2022 S\$'000	31 Dec 2021 S\$'000
Total equity	688,594	677,319
Net assets attributable to the Company’s equity holders	669,243	659,714
Net borrowings (total borrowings less cash and bank balances)	629,997	660,197
Net gearing ratio [*]	46%	47%
Net assets per share attributable to the Company’s equity holders (cents)	79.60	78.46

* N/M denotes not meaningful.

[#] Profit from core business operations is net profit after tax adjusted for fair value changes on investment properties including those of associated company and deferred tax arising from fair value changes.

* Net gearing ratio is computed as net borrowings divided by total capital. Total capital is computed as borrowings plus net assets of the Group.

FINANCIAL HIGHLIGHTS

The reconciliation of IFRS financial measures to non-IFRS financial measures for 1H 2022 and 1H 2021 are as follows:-

	1H 2022 S\$'000	1H 2021 S\$'000	% change +/(-)
Net profit after tax	35,073	9,098	286
Adjusted for:			
– Net fair value (gain)/loss on investment properties	(9,541)	14,492	N/M
– Share of net fair value loss on investment properties of associated companies	155	900	(83)
	(9,386)	15,392	N/M
– Deferred tax arising from fair value changes	6,705	(533)	N/M
Profit from core business operations	32,392	23,957	35
Profit attributable to equity holders of the Company	32,898	8,735	277
Adjusted for:			
– Net fair value (gain)/loss on investment properties	(9,541)	14,492	N/M
– Share of net fair value loss on investment properties of associated companies	155	900	(83)
– Non-controlling interest's share of fair value loss on an investment property	(1,259)	(3,210)	(61)
	(10,645)	12,182	N/M
– Deferred tax arising from fair value changes	6,705	(533)	N/M
Profit from core business operations attributable to equity holders	28,958	20,384	42

The Group has disclosed non-IFRS measures to provide the shareholders and potential investors with a clearer understanding of the Group's financial performance relating to operations of the Group. Profit from core business operations (non-IFRS) refers to the period-to-period or year-to-year recurring profits derived from the Group's core business operations.

The adjusting items from IFRS financial measures to non-IFRS financial measures include the following in relation to fair value changes:-

i) Fair value changes on investment properties including those of associated companies and joint venture

The Group has adopted fair value model for accounting of the investment properties which reflects the market conditions at the end of the reporting period. The Group engaged external and independent valuers to determine the fair value of the Group's investment properties at the end of every financial year. During the interim reporting period, the Group carried out an internal assessment on its investment properties in consultation with the independent professional valuers. The Group had recognised the fair value changes on the investment properties as net fair value gain/(loss) on investment properties in the Condensed Interim Consolidated Income Statement. The fair value (gain)/loss also included the adjustment of the fair value of right-of-use investment properties in relation to the Group's leased properties in accordance with IFRS 16 Leases.

ii) Deferred tax arising from fair value changes

The deferred tax expenses/(credit) were recorded due to changes in fair value of the Group's investment properties which resulted in higher income tax expense recognised from the fair value gain or vice versa.

The above-mentioned adjusting items do not arise from the normal Company's operations and were reported on the Condensed Interim Consolidated Income Statement for the six months ended 30 June 2022 together with the comparative figures for the six months ended 30 June 2021. These fair value movements result in significant fluctuation in the IFRS financial measures of the Group's performance. Correspondingly, shareholders may not be able to appreciate the Group's financial performance generated from its core business operations which is the managing and operating of workers and student accommodation. Hence, the Group has excluded these adjusting items with the intention to provide a clearer picture of the Group's performance.

MANAGEMENT DISCUSSION AND ANALYSIS

(A) HALF YEAR 2022 REVIEW – 1H 2022 VS 1H 2021

In the first half-year ended 30 June 2022, ("1H 2022"), the Group's revenue increased by 40% to S\$90.5 million, from S\$64.7 million reported in the first half-year ended 30 June 2021 ("1H 2021"), while profit from core business operations increased by S\$8.4 million or 35% from the corresponding period a year ago, to S\$32.4 million.

The higher Group revenue was mainly due to revenue contribution from (i) new Quick Build Dormitories ("QBDs") for workers accommodation in Singapore as well as two Onboard Centres ("OCs") that the Group manages; and (ii) existing Singapore Purpose-Built Dormitories ("PBDs") recovered in financial occupancy rates; and (iii) existing United Kingdom ("UK") and Australia Purpose-Built Student Accommodation ("PBSA") portfolio with financial occupancies improving and recovering from the COVID-19 disruption. The increase in revenue was however offset by cessation of operations of dwell Selegie in Singapore in June 2021.

Two of the QBDs in Singapore, Westlite Jalan Tukang and Westlite Tuas South Boulevard have commenced operations progressively since June 2021 and the two OCs that have commenced operations since March 2021 have contributed significantly to the growth in revenue in 1H 2022.

Financial occupancy for the Group's Singapore Purpose-Built Dormitories ("PBDs") also recovered in 1H 2022 from 82% in 1H 2021 to 96% in 1H 2022, as the inflow of migrant workers from South Asia gradually resumed after the re-opening of the borders.

The Group's student accommodation assets in the UK saw a growth in occupancy from 66% in 1H 2021 to 90% in 1H 2022, as COVID-19 restrictions on international travel and on-campus programmes were lifted during the second half of 2021 ("2H 2021").

As Australia international borders re-opened on 15 December 2021, just before the new academic year started, average financial occupancy in Australia increased to 58% for 1H 2022 from 27% in 1H 2021, notwithstanding the fact that students had not returned in large numbers in 1H 2022 as universities were still delivering courses in a blended mode, adopting a mix of face-to-face on-campus and online study, in semester 1 for the academic year 2022.

The Group's gross profit increased 40% from S\$43.5 million in 1H 2021 to S\$60.9 million in 1H 2022 in tandem with the revenue growth.

Other income reduced by S\$1.1 million with the cessation of various government support schemes in respect of COVID-19.

Administrative and distribution expenses increased by S\$3.5 million due to business expansion as well as reinstatement of the staff and management salaries which had been reduced since 1 May 2020.

Finance expenses increased by S\$0.5 million due to higher interest rate environment but were partially offset against reduced loan balances.

Share of profit of associated companies and joint venture increased by S\$1.0 million, largely due to better operating performance with better occupancy rates and lower fair value loss in investment properties compared to 1H 2021.

Net change in fair value of investment properties in 1H 2022 mainly relates to the valuation movements on the Group's investment properties as at 30 June 2022, based on management assessment made in consultation with the independent valuers who had carried out the valuation of the investment properties as at the last financial year end, as well as the adjustment of fair value of right-of-use ("ROU") investment properties that were leased as at 30 June 2022, in accordance with SFRS(I) 16 Leases.

Net fair value gain of S\$9.5 million in 1H 2022 was mainly due to the Group's investment properties in UK and Australia and offset against the fair value loss of investment properties in Singapore as well as against the adjustment of fair value of the ROU investment properties. This was compared against a fair value loss of S\$14.5 million in 1H 2021 when the market conditions and occupancy rates were more affected by COVID-19 and the adjustment of fair value of ROU investment properties.

Income tax expenses increased by S\$10.6 million largely due to higher profit and deferred income tax provided on the fair value gain in investment properties.

MANAGEMENT DISCUSSION AND ANALYSIS

(A) HALF YEAR 2022 REVIEW – 1H 2022 VS 1H 2021 (CONTINUED)

Accordingly, net profit after tax derived from the Group's operations for 1H 2022 was S\$35.1 million, as compared to S\$9.1 million in 1H 2021.

Excluding fair value adjustments, net profit derived from core business operations was S\$32.4 million in 1H 2022, which was S\$8.4 million higher than S\$24.0 million in 1H 2021.

(B) REVIEW OF GROUP BALANCE SHEET

Assets

Cash and bank balances reduced by S\$6.9 million to S\$60.6 million as at 30 June 2022, largely due to repayment of borrowings and dividends paid during 1H 2022.

Trade and other receivables decreased by S\$2.6 million, mainly due to the collection of outstanding debts due to the Group.

Investment properties reduced by S\$24.9 million, largely due to the weakening of the British Pound and Australian dollars, offset in part by fair value gain.

Lease liabilities decreased by S\$9.8 million to S\$95.4 million mainly due to the repayment of the principal component of the lease liabilities.

Deferred income tax liabilities increased by S\$5.8 million due to higher tax provisions made as a result of the fair value gain on investment properties.

Borrowings & Gearing

The Group's borrowings reduced from S\$727.7 million as at 31 December 2021 to S\$690.6 million as at 30 June 2022, largely due to the repayment of borrowings and foreign currency denominated loans which particularly affected by the weakening of British Pounds and Australian dollars.

The Group's net gearing ratio was 46% as at 30 June 2022, an improvement compared to 47% as at 31 December 2021. The Group's acquired operating assets and assets under development are primarily funded through bank borrowings, which have an average remaining maturity profile of 6 years. The Group uses long-term bank debt with regular principal repayments to finance its long-term assets.

As at 30 June 2022, the Group's balance sheet remained healthy with S\$60.6 million in cash and bank balances. With net current liabilities of S\$50.6 million as at 30 June 2022, the Group has ample cash resources and banking facilities of S\$178.9 million in place to meet its current liabilities.

As at 30 June 2022, 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 2022								
Cash and bank balances	40,742	8,971	4,503	3,261	877	250	1,998	60,602
Borrowings	485,140	121,316	60,699	23,400	–	44	–	690,599
As at 31 December 2021								
Cash and bank balances	44,025	10,113	5,264	3,454	632	287	3,718	67,493
Borrowings	505,176	134,860	62,016	25,592	–	46	–	727,690

MANAGEMENT DISCUSSION AND ANALYSIS

(B) REVIEW OF GROUP BALANCE SHEET (CONTINUED)

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"), Australia Dollar ("AUD"), Malaysian Ringgit ("MYR"), 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 are borrowings denominated in Singapore Dollar, Great Britain Pound, Australian Dollar and Malaysian Ringgit.

As at 30 June 2022, 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 2021: 71% floating; 29% fixed).

(C) REVIEW OF GROUP STATEMENT OF CASH FLOWS

In 1H 2022, the Group generated a positive cash flow of S\$44.9 million from operating activities.

Net cash used in investing activities amounted to S\$0.7 million, mainly due to additions to investment properties.

The Group recorded net cash used in financing activities of S\$51.5 million mainly for the repayment of borrowings, interest, principal portion of lease liabilities and dividends paid during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK

As at 30 June 2022, Centurion operates a diversified portfolio of 36 operational purpose-built workers and student accommodation assets ("PBWA" and "PBSA" respectively), comprising 65,077 beds diversified across Singapore, Malaysia, Australia, South Korea, the United Kingdom ("UK") and the United States ("US").

Workers Accommodation

Singapore

In Singapore, the Group operates nine PBWAs including five Purpose-Built Dormitories ("PBDs") comprising approximately 28,000 beds, and four Quick Build Dormitories ("QBDs") comprising 6,368 beds. Excluding the QBDs, the average financial occupancy for the Group's PBDs was 96% for 1H 2022, an improvement of 14 percentage points, as compared to 82% for 1H 2021.

Of the four QBDs, two commenced operations in 2H 2020 while the other two commenced operations in 2021. Occupancy of the four QBDs have ramped up quickly, and including the QBDs, the average financial occupancy for the Group's nine PBWAs was 97% for 1H 2022.

With the reopening of the Singapore economy, the financial occupancy improved in tandem with the resumption of arrivals for dormitory-bound work pass holders in Singapore as the construction, marine shipyard and process sectors were granted an extension on foreign worker levy rebates by the Ministry of Manpower to retain existing workers and bring in more work permit holders¹. Demand for migrant workers is expected to remain robust as Singapore is in transition to a new normal, with the Building and Construction Authority estimating that Singapore's construction sector contracts will likely return to near pre COVID-19 levels of between S\$27 billion and S\$32 billion in 2022².

In September 2021, the Ministry of Manpower, Ministry of National Development, and the Ministry of Health announced the implementation of enhanced specifications³ for new workers dormitories, to strengthen resilience against future pandemics and further improve the liveability of workers dormitories. New specifications for existing dormitories are expected to be announced in 2022, taking into consideration constraints of current built infrastructure, with time and support extended by the authorities for the industry to achieve the desired state⁴.

The Group remains vigilant to safeguard against potential outbreaks of new variants of COVID-19 and other viruses, and continues to care for the physical, mental and social well-being of all its residents.

Malaysia

The Group's Malaysian PBWA portfolio comprises eight properties spanning Johor in the South, Penang in the North and Selangor in the Central region of Peninsula Malaysia. The States of Johor, Penang, and Selangor are the top three states in Malaysia with the highest number of foreign workers in the manufacturing sector, which dominates the number of foreign workers, with about 35% of the country's estimated 2 million foreign workforce⁵.

The Malaysian PBWA portfolio bed capacity was 24,411 beds as of 1 January 2022, following the completion of reconfiguration works to comply with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446"). The Group continually explores opportunities to grow organically by reconfiguring spaces to add bed capacity. In 2Q 2022, the Group completed asset enhancement works at Westlite Tebrau and added 688 beds to the portfolio.

In Malaysia, migrant worker population numbers had fallen during the COVID-19 pandemic with many workers departing and travel restrictions limiting new arrivals. Migrant workers are gradually returning but the migrant workforce has yet to resume to pre COVID-19 levels^{6,7} in 1H 2022, as employers faced delays from procedural and technical issues⁸ in bringing in workers. The average financial occupancy for the Malaysia PBWA portfolio was 70% for 1H 2022 as compared to 80% for 1H 2021. Occupancy is recovering gradually as new worker inflows progressively improve.

Remarks:

- Source: 'Foreign worker levy rebate for construction, marine shipyard and process extended till June 2022', The Straits Times, 29 March 2022.
- Source: 'Construction demand for 2022 to return to near pre-Covid-19 levels', The Straits Times, 26 January 2022.
- Source: 'Improved Standards for New Migrant Worker Dormitories to Strengthen Public Health Resilience and Enhance Liveability', Ministry of National Development, 17 September 2021.
- Source: 'MOM to embark on multi-year road map to build more resilient migrant workforce: Tan See Leng', The Straits Times, 18 December 2021.
- Source: 'The Changing Landscape Of Workers' Accommodations', Knight Frank, November 2021.
- Source: 'Malaysia's glove industry appeals for foreign labour intake amid Covid-19 restrictions', The Straits Times, 28 September 2021.
- Source: 'Malaysia to speed up hiring of 180,000 foreign workers to ease shortage', South China Morning Post, 14 April 2022.
- Source: 'Hotel industry urges government to speed up approvals for foreign workers', Free Malaysia Today, 03 July 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK (CONTINUED)

Student Accommodation

As at 30 June 2022, the Group had a portfolio of 6,080 beds across 19 operational PBSA assets in Australia, South Korea, the UK and the US. Financial occupancies in the Group's PBSAs have improved across the markets in tandem with lifting of travel restrictions in these markets.

United Kingdom

The average financial occupancy in the Group's UK portfolio, which comprises 10 assets strategically located near top universities, has improved from 66% in 1H 2021 to 90% in 1H 2022. The UK has lifted all COVID-19 travel restrictions and international students have been able to travel more easily to the UK. As of January 2022, UK higher education providers have hosted 605,130 international students in the Academic Year 2020/21, which is 8.7% higher than AY2019/20⁹, hitting its target of 600,000 international students a decade earlier than its 2030 commitment¹⁰.

Pre-leasing for AY2022/23 is ongoing and bookings for the academic year commencing in August 2022 are strong. In May 2022, the Group announced the proposed acquisition of a 103-bed freehold PBSA asset, which will add a third PBSA asset to the Group's two existing assets in Nottingham. The acquisition is expected to be completed in 4Q 2022.

Australia

In Australia, the average financial occupancy of the Group's two assets in Adelaide and Melbourne improved from 27% in 1H 2021 to 58% in 1H 2022, as borders re-opened and international students were welcomed back into the country. There had been delays in the issuance of student visas¹¹ but the Australian government is making efforts to improve the issuance of visas and international students are gradually returning throughout the term as visas were approved. Bookings for the second semester commencing in August 2022 are healthy and the demand recovery trend is expected to continue into 2023.

South Korea

In South Korea, dwell Dongdaemun has shown strong recovery, with financial occupancy increasing to 82% in 1H 2022 as compared to 55% in 1H 2021. The Group notes continued recovery, with robust pre-leasing for the second semester of the Academic Year commencing in August 2022.

United States

Centurion's US portfolio comprises six freehold PBSAs, which are held under the Centurion US Student Housing Fund ("Fund"), the Group's inaugural private fund. Centurion 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 average financial occupancy has remained healthy and stable in 1H 2022 compared to 1H 2021. These PBSA assets have been put up for sale¹² as the Fund comes to the end of its term. The Fund is in the process of reviewing bids for this portfolio.

Looking Ahead

The global economy is on track to recover from COVID-19. Amidst the easing of COVID-related travel restrictions and border controls, migrant workers and students are returning across the geographical territories where Centurion operates.

Inflationary pressures and rising interest rates will add to operating costs and financing expenses, which the Group expects will be offset in the main by positive rental rate reversions across its markets. The Group also continues to calibrate its assets, spaces and operations, adjusting to market shifts and regulatory changes, to improve future pandemic management resilience and ensure the well-being of its worker and student residents.

The Group will continue its strategic review of its specialised accommodation portfolio as part of its efforts to rationalise its portfolio of assets for capital recycling and capital reallocation to enhance shareholders' value. As part of its continuing efforts to deliver sustained, long-term value to shareholders, the Group will continue to seek opportunities for strategic global expansion through investments in synergistic assets and businesses.

Remarks:

9. Source: 'International Student Statistics in UK 2022', Studying-in-UK.org, Retrieved 25 July 2022.

10. Source: 'UK Meets Target of 600,000 International Students Ten Years Earlier Than Planned', Erudera College News, 25 January 2022.

11. Source: 'Australian government moves to fix student delays', The PIE news, 27 June 2022.

12. Source: 'Launch Of Sale Process In Respect Of Portfolio Of Assets In The United States Held By Centurion US Student Housing Fund', Centurion announcement, 22 April 2022.

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 Singapore Companies Act 1967

- (a) According to the register of Directors' and CEO's shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, none of the Directors and CEO holding office as at 30 June 2022 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 30.6.2022	At 1.1.2022 or date of appointment, if later	At 30.6.2022	At 1.1.2022 or date of appointment, if later
Centurion Corporation Limited				
<u>(No. of ordinary shares)</u>				
Gn Hiang Meng	–	–	247,500	247,500
Loh Kim Kang David ⁽ⁱ⁾	40,155,150	37,986,350	425,956,126	425,956,126
Han Seng Juan	33,877,600	33,877,600	433,703,626	433,703,626
Wong Kok Hoe	10,000,000	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				
<u>(No. of ordinary shares)</u>				
Loh Kim Kang David	8,086	8,086	–	–
Han Seng Juan	8,086	8,086	–	–
Immediate Holding Corporation – Centurion Properties Pte. Ltd.				
<u>(No. of ordinary shares)</u>				
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 2022, Loh Kim Kang David also has a direct interest in the Fixed Rate Notes due 2024 issued by the Company on 12 October 2020 ("Fixed Rate Notes due 2024") for an aggregate principal amount of S\$500,000 (as at 1 January 2022: Direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S\$500,000).
- (ii) As at 30 June 2022, Teo Peng Kwang also has a direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S\$3,000,000 (as at 1 January 2022: Direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S\$3,000,000).
- (iii) As at 30 June 2022, Kong Chee Min also has a direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S\$1,500,000 (as at 1 January 2022: Direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S\$1,500,000).
- (b) Loh Kim Kang David and Han Seng Juan, who by virtue of their individual interest of not less than 20% of the issued capital of the Company, are deemed to have an interest in the shares of the subsidiaries held by the Company.

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 2022, 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 to 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 of the Company

	Capital/Nature of interest	Direct Interest		Capital/Nature of interest	Deemed Interest		Total Interest	
		No. of Shares	% ⁽²⁾		No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Loh Kim Kang David	Beneficial owner	40,155,150 ^{(L)(4)}	4.78	Interest of controlled corporation	425,756,126 ^{(L)(3)}	50.64	466,111,276 ^{(L)(10)}	55.44
				Interest of spouse	200,000 ^{(L)(5)}	0.02		
Han Seng Juan	Beneficial owner	33,877,600 ^{(L)(7)}	4.03	Interest of controlled corporation	425,756,126 ^{(L)(6)}	50.64	467,581,226 ^{(L)(11)}	55.61
				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	Beneficial owner	63,723,330 ^{(L)(12)}	7.58	-	-	-	63,723,330 ^(L)	7.58
Wong Kok Hoe	Beneficial owner	10,000,000 ^(L)	1.19	-	-	-	10,000,000 ^(L)	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 2022.
- (3) Loh Kim Kang David ("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 40,155,150 Shares held by Mr Loh, 18,006,250 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, 14,903,900 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, 1,345,000 Shares are registered in the name of Standard Chartered Bank (Hong Kong) Ltd and 200,000 Shares are registered in his own name.
- (5) Mr Loh is also deemed to have an 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 have an interest in 425,756,126 Shares held by Centurion Properties, a wholly-owned subsidiary of Centurion Global.

DISCLOSURE OF INTERESTS

- (7) Of the 33,877,600 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, 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, 2,785,000 Shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited, 49,000 Shares are registered in the name of UOB Kay Hian (Hong Kong) Limited and 1,525,000 Shares are registered in his own name.
- (8) Mr Han is also deemed to have an interest in 7,947,500 Shares held by his spouse, Kang Lee Cheng Susanna.
- (9) Gn Hiang Meng is deemed to have an interest in 247,500 Shares held by his spouse, Loo Bee Hoon.
- (10) Of these Shares, 36,910,150 Shares held by Mr Loh have been pledged to independent third party financial institution(s).
- (11) Of these Shares, 21,246,300 Shares held by Mr Han 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, 7,356,916 Shares are registered in the name of Deutsche Bank, 96,250 Shares are registered in the name of United Overseas Bank Nominees Pte Ltd and 16,000,000 Shares are registered in the name of DB Nominees (Singapore) Pte Ltd.

Interest in debentures of the Company

S\$55,000,000 aggregate principal amount of the Fixed Rate Notes due 2024

	Nature of interest	Principal amount of the Fixed Rate Notes due 2024 held	Approximate percentage of the interest in the Fixed Rate Notes due 2024
Loh Kim Kang David	Beneficial owner	S\$500,000	0.91%
Teo Peng Kwang	Beneficial owner	S\$3,000,000	5.45%
Kong Chee Min (CEO)	Beneficial owner	S\$1,500,000	2.73%

Note:

- (1) The percentage of the interest in the Fixed Rate Notes due 2024 is calculated based on the aggregate principal amount of S\$55,000,000.

Save as disclosed above, as at 30 June 2022, 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 CEO OF THE COMPANY) INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2022, as far as the Directors are aware, the persons or entities (other than a Director or CEO 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 2022.
- (2) Of the 425,756,126 Shares held by Centurion Properties, 20,000,000 Shares are registered in the name of Raffles Nominees (Pte.) Limited and 405,756,126 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 (Executive Director, Joint Chairman of the Board and a controlling shareholder of the Company) and Mr Han (Non-Executive Director, Joint Chairman of the Board and a controlling shareholder of the Company).

Save as disclosed above, as at 30 June 2022, there is no person or entity (other than a Director or CEO 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 2022, there were 561 (30 June 2021: 532) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for 1H 2022 were approximately S\$17,810,000 (1H 2021: S\$12,144,000). 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 1H 2022.

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

Save as disclosed in this interim report, there was no material acquisition and significant investments held for 1H 2022.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition and disposal for 1H 2022 except that the Group has entered into the Contract with Imap Properties Limited on 19 May 2022 to acquire a property known as The Orbital at a purchase consideration of £10,445,000 (equivalent to approximately S\$17,659,000) as set out in Note 14.

SHARE CAPITAL

Details of the Company's issued share capital during 1H 2022 are set out in Note 21 to this interim report. There were no movements in the Company's issued share capital during 1H 2022.

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 2022 to 30 June 2022 as required under the HK Listing Rules and the Listing Manual of the SGX-ST.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three (3) 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 1H 2022.

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 1H 2022, the Company has complied with applicable provisions in the 2018 Code and HK CG Code, except those appropriately justified and disclosed in the 2021 Annual Report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

In compliance with Rule 1207(19) of the Listing Manual of the 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 1H 2022.

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 2021 Annual Report are set out below:

- (a) Mr Lee Wei Loon has been appointed as Director of WatchBox HK Limited.
- (b) Mr Wong Kok Hoe has been appointed as Director of several subsidiaries of the Company.

INTERIM DIVIDEND

The Board has declared an interim dividend of 0.5 Singapore cents (1H 2021: nil Singapore cent) per Share amounting to a total of S\$4,204,000 (1H 2021: S\$nil) in respect of 1H 2022. The interim dividend will be paid on 29 September 2022.

Shareholders in Hong Kong will receive the above-mentioned interim dividend in Hong Kong Dollar equivalent of 2.83* Hong Kong cents per Share.

* Exchange rate used SGD1 = HKD5.6689 as at 11 August 2022.

BOOK CLOSURE DATE

For shareholders in Singapore

The Share Transfer Books and the Register of Members of the Company will be closed on 9 September 2022 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03, Robinson 77, Singapore 068896, up to 5:00 pm on 8 September 2022 will be registered to determine shareholders' entitlements to the interim dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5:00 pm on 8 September 2022 will be entitled to the interim dividend.

For shareholders in Hong Kong

The Hong Kong branch share register will be closed on 9 September 2022 for the purpose of determining the shareholders' entitlements to the interim dividend. In order to qualify for the interim dividend for shareholders whose names appear on the Hong Kong branch share register, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 pm on 8 September 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The consolidated financial results for 1H 2022 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 1H 2022.

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
Deputy Chairman and Executive Director

29 August 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Note	For the six months ended 30 June		
		2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)	
Revenue	4	90,528	64,727	CORPORATE INFORMATION
Cost of sales		(29,613)	(21,266)	
Gross profit		60,915	43,461	
Other income	5	1,280	2,355	
Other (losses)/gains – net				FINANCIAL HIGHLIGHTS
– Loss on derecognition of financial assets	6	(119)	–	
– Write back for impairment of trade and other receivables	6	381	90	
– Others	6	(1,058)	(5)	
Net fair value gain/(loss) on investment properties		9,541	(14,492)	
Expenses				MANAGEMENT DISCUSSION AND ANALYSIS
– Distribution expenses		(791)	(617)	
– Administrative expenses		(13,070)	(9,760)	
– Finance expenses	7	(11,786)	(11,328)	
Share of profit of associated companies and joint venture		3,619	2,600	
Profit before income tax		48,912	12,304	
Income tax expense	8	(13,839)	(3,206)	
Total profit		35,073	9,098	
Profit attributable to:				DISCLOSURE OF INTERESTS
Equity holders of the Company		32,898	8,735	
Non-controlling interests		2,175	363	
		35,073	9,098	
Earnings per share for profit attributable to equity holders of the Company				CORPORATE GOVERNANCE AND OTHER INFORMATION
Basic earnings per share (cents)	9(a)	3.91	1.04	
Diluted earnings per share (cents)	9(b)	3.91	1.04	

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Group For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Total profit	35,073	9,098
Other comprehensive (loss)/income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Financial assets, at FVOCI – debt instruments		
– Fair value (losses)/gains	(101)	635
– Reclassification	6	2
Cash flow hedges		
– Fair value gains	1,552	1,825
– Reclassification	691	1,065
Share of other comprehensive income of associated companies and joint venture	843	282
Currency translation (losses)/gains arising from consolidation	(22,086)	3,599
Other comprehensive (loss)/income, net of tax	(19,095)	7,408
Total comprehensive income	15,978	16,506
Total comprehensive income attributable to:		
Equity holders of the Company	13,742	16,125
Non-controlling interests	2,236	381
	15,978	16,506

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

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

	Note	Group	
		30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
ASSETS			
Current assets			
Cash and bank balances	10	60,602	67,493
Trade and other receivables	11	15,358	17,996
Inventories		242	164
Other assets		4,935	4,524
Financial assets, at fair value through other comprehensive income		6,852	6,453
		87,989	96,630
Non-current assets			
Other assets		2,383	896
Financial assets, at fair value through profit or loss		57	57
Derivative financial instruments		987	–
Investments in associated companies	12	119,246	117,071
Investment in a joint venture	13	4,477	4,732
Investment properties	14	1,329,731	1,354,593
Property, plant and equipment	15	7,322	8,735
		1,464,203	1,486,084
Total assets		1,552,192	1,582,714
LIABILITIES			
Current liabilities			
Trade and other payables	16	44,537	46,182
Current income tax liabilities		11,656	9,336
Derivative financial instruments		25	122
Borrowings	17	64,446	63,258
Lease liabilities	18	17,959	17,946
		138,623	136,844
Non-current liabilities			
Other liabilities		1,314	1,489
Deferred income tax liabilities		19,132	13,295
Derivative financial instruments		954	2,113
Borrowings	17	626,153	664,432
Lease liabilities	18	77,422	87,222
		724,975	768,551
Total liabilities		863,598	905,395
NET ASSETS		688,594	677,319
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	21	142,242	142,242
Other reserves		(44,205)	(25,049)
Retained profits		571,206	542,521
		669,243	659,714
Non-controlling interests		19,351	17,605
Total equity		688,594	677,319

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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 2022

Note	← Attributable to equity holders of the Company →			Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000			
Group						
For the six months ended 30 June 2022 (unaudited)						
Beginning of financial period	142,242	(25,049)	542,521	659,714	17,605	677,319
Profit for the period	–	–	32,898	32,898	2,175	35,073
Other comprehensive (loss)/ income for the period	–	(19,156)	–	(19,156)	61	(19,095)
Total comprehensive (loss)/ income for the period	–	(19,156)	32,898	13,742	2,236	15,978
Dividends paid to non- controlling interest	–	–	–	–	(490)	(490)
Dividends relating to 2021 paid	–	–	(4,213)	(4,213)	–	(4,213)
Total transactions with owners, recognised directly in equity	–	–	(4,213)	(4,213)	(490)	(4,703)
End of financial period	142,242	(44,205)	571,206	669,243	19,351	688,594
Group						
For the six months ended 30 June 2021 (unaudited)						
Beginning of financial period	142,242	(26,488)	489,842	605,596	23,189	628,785
Profit for the period	–	–	8,735	8,735	363	9,098
Other comprehensive income for the period	–	7,390	–	7,390	18	7,408
Total comprehensive income for the period	–	7,390	8,735	16,125	381	16,506
Dividends paid to non- controlling interest	–	–	–	–	(4,361)	(4,361)
Total transactions with owners, recognised directly in equity	–	–	–	–	(4,361)	(4,361)
End of financial period	142,242	(19,098)	498,577	621,721	19,209	640,930

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Note	For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Cash flows from operating activities		
Total profit	35,073	9,098
Adjustments for:		
– Income tax expense	13,839	3,206
– Depreciation	1,737	1,691
– Write back for impairment of trade and other receivables	(381)	(90)
– Net (gain)/loss on disposal of plant and equipment	(20)	4
– Net fair value (gain)/loss on investment properties	(9,541)	14,492
– Interest income	(296)	(251)
– Finance expenses	11,786	11,328
– Share of profit of associated companies and joint venture	(3,619)	(2,600)
– Net loss on disposal of financial assets, at FVOCI	6	2
– Unrealised currency translation differences	57	166
Operating cash flow before working capital changes	48,641	37,046
Change in working capital		
– Inventories	(78)	–
– Trade and other receivables	2,830	(3,511)
– Other assets	(954)	(1,156)
– Trade and other payables	(612)	984
Cash generated from operations	49,827	33,363
Income tax paid	(4,964)	(4,586)
Net cash provided by operating activities	44,863	28,777
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	26	50
Additions to investment properties	(1,839)	(9,071)
Purchases of property, plant and equipment	(282)	(2,402)
Interest received	270	298
Dividends received from associated companies	2,543	4,815
Purchase of financial assets, at FVOCI	(1,000)	–
Proceeds from disposal of financial assets, at FVOCI	500	3,730
Proceeds from disposal of assets held for sale	–	777
Deposits paid for acquisition of investment property	(933)	–
Net cash used in investing activities	(715)	(1,803)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Note	For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Cash flows from financing activities		
Proceeds from borrowings	29,071	8,596
Loan from non-controlling interests	–	117
Repayment of loan from associated company	(1,800)	(360)
Repayment of borrowings	(52,896)	(18,834)
Interest paid on borrowings	(10,038)	(9,583)
Dividends paid to equity holders of the company	(4,213)	–
Dividends paid to non-controlling interests	(490)	(4,361)
Restricted cash charged as security to bank	(569)	–
Interest paid on lease liabilities	(1,683)	(1,763)
Repayment of principal portion of lease liabilities	(8,924)	(5,349)
Net cash used in financing activities	(51,542)	(31,537)
Net decrease in cash and cash equivalents held	(7,394)	(4,563)
Cash and cash equivalents		
Beginning of financial period	67,493	83,868
Effects of currency translation on cash and cash equivalents	(66)	(220)
End of financial period	60,033	79,085

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

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 interim consolidated financial statements comprising of the balance sheet as at 30 June 2022 and 31 December 2021, 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 2022 and 30 June 2021, and selected explanatory notes.

This unaudited condensed interim consolidated financial statements for the six months ended 30 June 2022 have 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 "HK Listing Rules").

The unaudited condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021 ("FY2021"), 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 IFRSs are deemed to have also complied with SFRS(I)s. SFRS(I)s comprise standards and interpretations that are equivalent to IFRSs. All references to SFRS(I)s and IFRSs are referred to collectively as "IFRSs" in these financial statements, unless specified otherwise.

The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for FY2021.

The accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2022 are the same as those set out in the Group's annual financial statements for FY2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

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
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
IAS 1	Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
IAS 8	Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
IFRS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 2022. The adoption of these new and revised SFRS(I)s and IFRSs did not result 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.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In preparing the unaudited condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 14 – Classification of investment property.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 14 – determination of fair value of investment property using significant unobservable inputs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE

	Group For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Rental income from investment properties	78,143	57,510
Revenue from contracts with customers (IFRS 15)	6,961	3,950
Other revenue from accommodation business	4,392	2,740
Management services	1,032	527
Sale of optical storage media and other trading goods	12,385	7,217
	90,528	64,727

5. OTHER INCOME

	Group For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Interest income	90	87
– Financial assets measured at amortised cost	206	164
– Debt investments measured at FVOCI	296	251
Government grant income	879	1,882
Others	105	222
	1,280	2,355

6. OTHER (LOSSES)/GAINS – NET

	Group For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Currency exchange (losses)/gains – net	(820)	16
Net gain/(loss) on disposal of plant and equipment	20	(4)
Financial assets, at FVOCI	(6)	(2)
– reclassification from other comprehensive income on disposal	(252)	(15)
Others	(1,058)	(5)
Write back for impairment of trade and other receivables	381	90
Loss on derecognition of financial assets	(119)	–
	(796)	85

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

7. FINANCE EXPENSES

	Group For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Interest expense:		
– bank borrowings and notes payables	9,004	8,233
– lease liabilities	1,683	1,763
– associated company	351	318
– non-controlling interests	57	48
Cash flow hedges, reclassified from hedging reserve	691	1,065
Less: Borrowing costs capitalised in investment properties	–	(99)
Finance expenses recognised in profit or loss	11,786	11,328

8. INCOME TAXES

	Group For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Tax expense attribute to the profit is made up of:		
– Profit for the financial period		
Current income tax		
– Singapore	4,063	2,711
– Foreign	1,546	1,057
	5,609	3,768
Deferred income tax	6,732	(540)
	12,341	3,228
– Under/(over) provision in prior financial periods		
Current income tax	1,514	(39)
Deferred income tax	(16)	17
	13,839	3,206

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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.

	Group For the six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Net profit attributable to equity holders of the Company (\$'000)	32,898	8,735
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,779	840,779
Basic earnings per share (cents)	3.91	1.04

(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 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Cash at bank and on hand	28,135	27,333
Short-term bank deposits	32,467	40,160
	60,602	67,493

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	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Cash and bank balances	60,602	79,085
Less: Restricted cash charged as security to bank	(569)	-
Cash and cash equivalents per consolidated statement of cash flows	60,033	79,085

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

10. CASH AND BANK BALANCES (CONTINUED)

As at 30 June 2022, restricted cash of the Group amounting to S\$569,000 (30 June 2021: S\$nil) were charged as security to a bank as a guarantee for security deposit of a management service contract.

The reconciliation of liabilities arising from financing activities as at 31 December 2021 and 30 June 2022 are as follows:

	31 Dec 2021 S\$'000 (audited)	Cash flows S\$'000	Non-cash items S\$'000	Interest expense S\$'000	Currency translation differences S\$'000	30 Jun 2022 S\$'000 (unaudited)
Bank borrowings (Note 17)	624,838	(23,825)	–	8	(11,544)	589,477
Notes payables (Note 17)	54,624	–	–	80	–	54,704
Lease liabilities (Note 18)	105,168	(10,607)	(57)	1,683	(806)	95,381
Loan from non-controlling interests (Note 17)	7,368	–	–	–	(2)	7,366
Loan from associated company (Note 17)	40,168	(1,800)	–	–	–	38,368
Interest payable (Note 17)	692	(1,577)	–	1,569	–	684
Derivative financial instruments (net)						
— liabilities/assets)	2,235	(691)	(2,243)	691	–	(8)
Accrued interest expense	305	(7,770)	–	7,755	–	290
	835,398	(46,270)	(2,300)	11,786	(12,352)	786,262

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

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Up to 3 months	8,630	9,469
3 to 6 months	1,136	2,124
Over 6 months	410	537
	10,176	12,130
Less: Cumulative allowance for impairment	(927)	(1,338)
	9,249	10,792

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Beginning of financial period/year	117,071	111,462
Currency translation differences	1,165	424
Share of fair value (loss)/gain from cash flow hedges	(76)	53
Share of profit	3,628	14,766
Dividends received	(2,543)	(9,675)
Share of loss in excess of investment in an associated company	1	41
End of financial period/year	119,246	117,071

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

13. INVESTMENT IN A JOINT VENTURE

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Beginning of financial period/year	4,732	4,758
Currency translation differences	(246)	(337)
Share of (loss)/profit	(9)	311
End of financial period/year	4,477	4,732

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

14. INVESTMENT PROPERTIES

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Beginning of financial period/year	1,354,593	1,307,770
Currency translation differences	(35,953)	(6,215)
Additions to investment properties	1,607	56,114
Modification of lease liability in relation to the right-of-use assets	(57)	-
Net fair value gain in relation to owned investment properties	18,236	4,890
Net fair value loss in relation to right-of-use assets classified as investment properties	(8,695)	(7,966)
Net fair value gain/(loss) recognised in profit or loss	9,541	(3,076)
End of financial period/year	1,329,731	1,354,593

Investment properties are leased to non-related parties under operating leases (Note 20).

Included in additions are acquisition of an investment property of S\$nil (FY2021: S\$9,812,000), capitalised expenditure of S\$1,607,000 (FY2021: S\$21,134,000) and right-of-use assets of S\$nil (FY2021: S\$25,168,000).

Certain investment properties are pledged as security for the bank facilities extended to subsidiaries (Note 17(a)). The carrying values of these investment properties amounted to approximately S\$1,219,195,000 (FY2021: S\$1,234,471,000).

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

14. INVESTMENT PROPERTIES (CONTINUED)

The Group 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, capitalisation rate, cost to complete and cost per square metre, and are dependent on the nature of each investment property and the prevailing market conditions.

The Group had carried out an internal assessment on its investment properties as at 30 June 2022, in consultation with the independent professional valuers who had performed the valuations of the Group's investment properties as at 31 December 2021, for any material changes in key inputs. The key inputs were found to remain substantially unchanged compared to 31 December 2021. After considering other factors including the operating performance of the properties, the prevailing local market outlook and the remaining lease terms of the leased properties, the Group recognised the net fair value gain on investment properties amounted to S\$9,541,000 (1H 2021: fair value net loss of S\$14,492,000).

15. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the additions and disposals of the Group's property, plant and equipment amounted to S\$479,000 (FY2021: S\$4,619,000) and S\$6,000 (FY2021: S\$84,000) respectively.

16. TRADE AND OTHER PAYABLES

At balance sheet dates, the ageing analysis of the trade payables based on invoice date were as follows:

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Up to 3 months	2,152	3,579
3 to 6 months	31	95
Over 6 months	270	249
	2,453	3,923

17. BORROWINGS

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Current		
Bank borrowings (Note (a))	60,162	58,966
Loan from an associated company (Note (c))	3,600	3,600
Interest payable	684	692
	64,446	63,258
Non-current		
Bank borrowings (Note (a))	529,315	565,872
Loan from non-controlling interests (Note (d))	7,366	7,368
Loan from an associated company (Note (c))	34,768	36,568
Notes payables (Note (b))	55,000	55,000
Less: Transaction costs	(296)	(376)
	54,704	54,624
	626,153	664,432
Total borrowings	690,599	727,690

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. BORROWINGS (CONTINUED)

At balance sheet dates, the Group's borrowings are analysed as follows:

	Group	
	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000
	(unaudited)	(audited)
<u>Amount repayable within one year or on demand</u>		
Secured	48,437	47,254
Unsecured	16,009	16,004
Total	64,446	63,258
<u>Amount repayable after one year</u>		
Secured	497,144	528,835
Unsecured	129,009	135,597
Total	626,153	664,432
Total Borrowings	690,599	727,690

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Group	
	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000
	(unaudited)	(audited)
– not later than one year	64,446	63,258
– between one to five years	459,930	461,250
– after five years	166,223	203,182
	690,599	727,690

At balance sheet dates, the Group's bank borrowings are repayable as follows:

	Group	
	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000
	(unaudited)	(audited)
Within one year	60,162	58,966
Between one and two years	86,104	109,851
Between two and five years	303,726	281,377
After five years	139,485	174,644
	589,477	624,838

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

17. BORROWINGS (CONTINUED)

At balance sheet dates, the Group's other loans are repayable as follows:

	Group 30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Within one year	4,284	4,292
Between one and two years	58,748	4,045
Between two and five years	11,352	65,977
After five years	26,738	28,538
	101,122	102,852

(a) Bank borrowings

Bank borrowings are subject to floating interest rates of which S\$124,974,000 (31 December 2021: S\$126,976,000) are managed with interest rate swaps where floating 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 S\$545,581,000 (31 Dec 2021: S\$576,089,000) for the Group. These borrowings are secured over certain investment properties (Note 14).

(b) Notes payables

The MTN Programme was established on 6 September 2013 and updated on 7 October 2016 to a S\$750,000,000 Multicurrency Debt Issuance programme ("the Programme").

On 12 October 2020, the Group issued S\$55,000,000 fixed rate notes due 2024 (the "Series 005 Notes") under the Programme. The Series 005 Notes bear a fixed interest rate of 5.75% per annum payable semi-annually in arrear and shall mature on 12 April 2024.

On 1 February 2021, the Group has fully redeemed the remaining Series 004 Notes due 2022 of S\$12,250,000.

As at 30 June 2022 and 31 December 2021, 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 non-controlling interests are unsecured with fixed terms of repayment. The interest on the loans are calculated based on the floating rates, except for part of the loan from non-controlling interests amounting to S\$996,000 (31 December 2021: S\$998,000) which is calculated based on fixed rates. The carrying amounts of the non-current borrowings approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17. BORROWINGS (CONTINUED)

(e) Fair value of current and non-current notes payables

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Notes payables	54,384	55,380

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.

18. 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 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Current		
– not later than one year	17,959	17,946
Non-current		
– between one to five years	30,966	37,457
– after five years	46,456	49,765
	77,422	87,222
	95,381	105,168

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

19. 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, which are used in the Group's student and workers accommodation business. 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 14).

There are no externally imposed covenant on these lease arrangements.

	Group	
	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000
	(unaudited)	(audited)

Carrying amount of right-of-use assets

ROU assets classified within Property, plant and equipment

Leased office space

497

680

ROU assets classified within Investment properties

The right-of-use asset relating to the leasehold land and buildings presented under investment properties (Note 14) is stated at fair value and has a carrying amount at balance sheet date of S\$101,615,000 (FY2021: S\$111,315,000).

Addition to right-of use assets during the financial period was S\$nil (FY2021: S\$25,168,000), which was related to investment properties (Note 14).

20. 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 4.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. LEASES – THE GROUP AS A LESSOR (CONTINUED)

Maturity analysis of lease payments – Group as a lessor

The table below discloses the undiscounted lease payments from the operating leases to be received by the Group as a lessor for its leases and subleases after the reporting date are as follows:

	Group	
	30 Jun 2022 S\$'000 (unaudited)	31 Dec 2021 S\$'000 (audited)
Less than one year	95,507	90,171
One to two years	9,701	5,351
Two to three years	937	902
Three to four years	540	540
Four to five years	540	540
More than five years	5,715	5,985
Total undiscounted lease payment	112,940	103,489

21. SHARE CAPITAL AND TREASURY SHARES

	Group	
	No. of ordinary shares Issued share capital '000	Share Capital S\$'000
2022		
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.

22. DIVIDENDS

	Group	
	30 Jun 2022 S\$'000 (unaudited)	30 Jun 2021 S\$'000 (unaudited)
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 0.5 Singapore cents (1H 2021: final exempt dividend paid in respect of the financial year 2020 of nil Singapore cent) per share	4,213	–

At the Board Meeting on 11 August 2022, an interim dividend of 0.5 Singapore cents (1H 2021: nil Singapore cent) per share amounting to a total of S\$4,204,000 (1H 2021: nil) had been declared.

Shareholders in Hong Kong will receive the interim dividend in Hong Kong Dollar equivalent of 2.83* Hong Kong cents per share.

* Exchange rate used SGD1=HKD5.6689 as at 11 August 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

23. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	30 Jun 2022	31 Dec 2021
	S\$'000	S\$'000
	(unaudited)	(audited)
Property, plant and equipment	196	55
Investment properties	13,491	13,408

On 19 May 2022, the Group has entered into the Contract with Imap Properties Limited in relation to the Proposed Acquisition of a property known as The Orbital located at 6 Ilkeston Road, Nottingham NG7 3GE, United Kingdom at a purchase consideration of £10,445,000 (equivalent to approximately S\$17,659,000). As at 30 June 2022, a deposit of £522,000 (equivalent to approximately S\$883,000) has been paid by the Group and recorded as current Other Assets. The remaining amount of £9,923,000 (equivalent to approximately S\$16,776,000) will be paid upon completion of the acquisition.

(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 S\$70,823,000 (31 December 2021: S\$73,004,000). As at 30 June 2022, the amount of the guaranteed loans drawn down by associated companies and a joint venture amounted to S\$70,449,000 (31 December 2021: S\$72,609,000).

As at 30 June 2022 and 31 December 2021, 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.

24. 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	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Services provided to immediate holding corporation	93	43
Services provided to associated companies	1,106	1,002
Purchases from a company which a director has an interest	53	34
Lease payments to associated companies	734	415
Interest charged by associated company	350	318
Interest charged by non-controlling interest	57	48

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**24. RELATED PARTY TRANSACTIONS (CONTINUED)****(b) Key management personnel compensation**

The key management personnel compensation is as follows:

	Group	
	For the six months ended	
	30 June	
	2022	2021
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Wages and salaries	3,136	2,102
Employer's contribution to defined contribution plan, including Central Provident Fund	85	70
	3,221	2,172

Included in above, total compensation to directors of the Company amounted to S\$1,715,000 (1H 2021: S\$1,040,000).

25. 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 storage media and other trading goods ("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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

25. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for six months ended 30 June 2022 is as follows:

	Workers accommodation S\$'000	Student accommodation S\$'000	Others S\$'000	Total S\$'000
Six months ended 30 June 2022: (unaudited)				
Revenue:				
Sales to external parties	66,977	22,518	1,033	90,528
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	1,531	447	1,033	3,011
– Over time	8,296	1,078	–	9,374
Segment results	38,124	9,389	(271)	47,242
Finance expense	(7,116)	(4,670)	–	(11,786)
Interest income				296
Fair value (loss)/gain on investment properties	(18,394)	27,935	–	9,541
Share of profit/(loss) of associated companies and joint venture	5,262	(1,642)	(1)	3,619
Profit before tax				48,912
Income tax expense				(13,839)
Net profit				35,073
Included in segment results:				
Depreciation	1,358	370	9	1,737
As at 30 June 2022 (unaudited)				
Segment assets	835,190	552,367	780	1,388,337
Short-term bank deposits				32,467
Financial assets, at FVOCI				6,852
Tax recoverable				813
Investments in associated companies	77,975	40,206	1,065	119,246
Investment in a joint venture	–	4,477	–	4,477
Consolidated total assets				1,552,192
Segment liabilities	129,390	12,718	103	142,211
Borrowings	390,307	300,292	–	690,599
Current income tax liabilities				11,656
Deferred income tax liabilities				19,132
Consolidated total liabilities				863,598
Other segment items:				
Capital expenditure	950	1,136	–	2,086

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for the six months ended 30 June 2021 is as follows:

	Workers accommodation S\$'000	Student accommodation S\$'000	Others S\$'000	Total S\$'000
Six months ended 30 June 2021: (unaudited)				
Revenue:				
Sales to external parties	48,459	15,741	527	64,727
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	1,775	458	527	2,760
– Over time	3,743	713	–	4,456
Segment results	29,613	5,631	29	35,273
Finance expense	(7,161)	(4,167)	–	(11,328)
Interest income				251
Fair value loss on investment properties	(8,939)	(5,553)	–	(14,492)
Share of profit of associated companies and joint venture	1,623	975	2	2,600
Profit before tax				12,304
Income tax expense				(3,206)
Net profit				9,098
Included in segment results:				
Depreciation	1,319	355	17	1,691
As at 31 December 2021 (audited)				
Segment assets	858,102	554,710	887	1,413,699
Short-term bank deposits				40,160
Financial assets, at FVOCI				6,453
Tax recoverable				599
Investments in associated companies	73,971	41,875	1,225	117,071
Investment in a joint venture	–	4,732	–	4,732
Consolidated total assets				1,582,714
Segment liabilities	136,878	17,836	360	155,074
Borrowings	398,205	329,485	–	727,690
Current income tax liabilities				9,336
Deferred income tax liabilities				13,295
Consolidated total liabilities				905,395
Twelve months ended 31 December 2021 (audited)				
Other segment items:				
Capital expenditure	9,046	26,483	36	35,565

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25. SEGMENT INFORMATION (CONTINUED)

Segment assets consist primarily of property, plant and equipment, investment properties, 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.

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 storage media and other trading goods;
- Australia – the operations in this area are principally the provision of student accommodation and property investments;
- Malaysia – the operations in this area are principally the provision of workers accommodation;
- United Kingdom – the operations in this area are principally the provision of student accommodation;
- Other countries – the operations are principally property investments.

	Group For the six months ended 30 June	
	2022 S\$'000 (unaudited)	2021 S\$'000 (unaudited)
Revenue		
Singapore	61,018	43,022
Malaysia	6,992	6,735
Australia	4,543	2,348
United Kingdom	16,699	11,602
Other countries	1,276	1,020
	90,528	64,727

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

26. 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 2022 and 31 December 2021 on a recurring basis:

Fair value measurements

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000
Group			
As at 30 June 2022 (unaudited)			
Assets			
Financial assets, at FVOCI	6,852	–	–
Financial assets, at fair value through profit or loss	–	–	57
Derivative financial instruments	–	987	–
Liabilities			
Derivative financial instruments	–	979	–
As at 31 December 2021 (audited)			
Assets			
Financial assets, at FVOCI	6,453	–	–
Financial assets, at fair value through profit or loss	–	–	57
Liabilities			
Derivative financial instruments	–	2,235	–

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 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.

There were no transfers between the levels of the fair value hierarchy in 1H 2022. There were also no changes made to any of the valuation techniques applied as of 31 December 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

26. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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 2022	31 Dec 2021
	S\$'000	\$'000
	(unaudited)	(audited)
Financial assets, at amortised cost	80,331	88,991
Financial liabilities, at amortised cost	825,185	870,713