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**CENTURION CORPORATION LIMITED**

勝捷企業有限公司\*

*(Incorporated in the Republic of Singapore with limited liability)*

*(Co. Reg. No. : 198401088W)*

**(SGX Stock Code: OU8)**

**(SEHK Stock Code: 6090)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*\*For identification purpose only*

# Unaudited Condensed Interim Financial Statements and Dividend Announcement

## For the six months and for the year ended 31 December 2022

The board (the "Board") of directors (the "Directors") of Centurion Corporation Limited ("Centurion" or the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months and for the year ended 31 December 2022, together with the comparative figures for the year ended 31 December 2021 as follows:

### 1. Condensed Interim Consolidated Income Statement

	Group			Group		
	Second Half Year			Twelve months		
	ended 31 December			ended 31 December		
	2022	2021	Change	2022	2021	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	89,922	78,290	15	180,450	143,017	26
Cost of sales	(27,282)	(27,435)	(1)	(56,895)	(48,701)	17
Gross profit	62,640	50,855	23	123,555	94,316	31
Other income	1,372	2,360	(42)	2,652	4,715	(44)
Other (losses)/gains - net						
- Gain/(loss) on derecognition of financial assets	30	(666)	N/M	(89)	(666)	(87)
- (Allowance)/write back for impairment of trade and other receivables	(65)	22	N/M	316	112	182
- Others	(186)	1,942	N/M	(1,244)	1,937	N/M
Expenses						
- Distribution expenses	(803)	(541)	48	(1,594)	(1,158)	38
- Administrative expenses	(14,821)	(10,869)	36	(27,891)	(20,629)	35
- Finance expenses	(16,555)	(11,406)	45	(28,341)	(22,734)	25
Share of profit of associated companies and joint venture	5,300	12,477	(58)	8,919	15,077	(41)
	36,912	44,174	(16)	76,283	70,970	7
Net fair value gain/(loss) on investment properties	9,441	11,416	(17)	18,982	(3,076)	N/M
<b>Profit before income tax</b>	46,353	55,590	(17)	95,265	67,894	40
Income tax expense	(5,146)	(8,891)	(42)	(18,985)	(12,097)	57
<b>Total profit</b>	41,207	46,699	(12)	76,280	55,797	37
<b>Profit attributable to:</b>						
Equity holders of the Company	38,527	43,944	(12)	71,425	52,679	36
Non-controlling interests	2,680	2,755	(3)	4,855	3,118	56
<b>Total profit</b>	41,207	46,699	(12)	76,280	55,797	37
<b>Note 1:</b>						
<b>Total profit - IFRS measure</b>	41,207	46,699	(12)	76,280	55,797	37
Adjusted for non-IFRS measure:						
- Net fair value gain on investment properties including those of associated companies and joint venture	(11,852)	(20,266)	(42)	(21,238)	(4,874)	336
- Deferred tax arising from fair value changes	1,741	4,717	(63)	8,446	4,184	102
- Gain on disposal of asset held for sale	-	(2,019)	(100)	-	(2,019)	(100)
<b>Profit from core business operations - non-IFRS measure</b>	31,096	29,131	7	63,488	53,088	20
<b>Note 2:</b>						
<b>Profit attributable to equity holders of the Company - IFRS measure</b>	38,527	43,944	(12)	71,425	52,679	36
Adjusted for non-IFRS measure:						
- Net fair value gain on investment properties including those of associated companies and joint venture attributable to equity holders	(12,136)	(20,540)	(41)	(22,781)	(8,358)	173
- Deferred tax arising from fair value changes	1,741	4,717	(63)	8,446	4,184	102
- Gain on disposal of asset held for sale	-	(2,019)	(100)	-	(2,019)	(100)
<b>Profit from core business operations attributable to equity holders - non-IFRS measure</b>	28,132	26,102	8	57,090	46,486	23

## 2. Condensed Interim Consolidated Statement of Comprehensive Income

	Group Second Half Year ended 31 December			Group Twelve months ended 31 December		
	2022	2021	Change	2022	2021	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Total profit	41,207	46,699	(12)	76,280	55,797	37
<b>Other comprehensive (loss)/income:</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Financial assets at fair value through other comprehensive income ("FVOCI") - debt instruments						
- Fair value (loss)/gain	(386)	(17)	2,171	(487)	618	N/M
- Reclassification	-	-	N/M	6	2	200
Cash flow hedges						
- Fair value gain	3,881	486	699	5,433	2,311	135
- Reclassification	(526)	1,044	N/M	165	2,109	(92)
Share of other comprehensive (losses)/gains of associated companies and joint venture	(1,564)	(142)	1,001	(721)	140	N/M
Currency translation losses arising from consolidation	(18,019)	(7,271)	148	(40,105)	(3,672)	992
Other comprehensive (loss)/income, net of tax	(16,614)	(5,900)	182	(35,709)	1,508	N/M
<b>Total comprehensive income</b>	<b>24,593</b>	<b>40,799</b>	<b>(40)</b>	<b>40,571</b>	<b>57,305</b>	<b>(29)</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	21,896	37,993	(42)	35,638	54,118	(34)
Non-controlling interests	2,697	2,806	(4)	4,933	3,187	55
<b>Total comprehensive income</b>	<b>24,593</b>	<b>40,799</b>	<b>(40)</b>	<b>40,571</b>	<b>57,305</b>	<b>(29)</b>
<b>Earnings per share for the profit attributable to equity holders of the Company</b>						
Basic earnings per share (cents)				8.50	6.27	36
Diluted earnings per share (cents)				8.50	6.27	36

N/M : Not meaningful

### 3. Condensed Balance Sheets

	<u>Group</u>		<u>Company</u>	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000	31 Dec 2022 \$'000	31 Dec 2021 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	68,274	67,493	19,913	20,310
Trade and other receivables	12,886	17,996	19,708	17,726
Inventories	334	164	-	-
Other assets	3,797	4,524	241	338
Financial assets, at fair value through other comprehensive income	6,466	6,453	6,466	6,453
	<u>91,757</u>	<u>96,630</u>	<u>46,328</u>	<u>44,827</u>
<b>Non-current assets</b>				
Trade and other receivables	-	-	391,198	375,141
Other assets	4,243	896	137	-
Financial assets, at fair value through profit or loss	51	57	-	-
Derivative financial instruments	3,811	-	-	-
Investments in associated companies	120,280	117,071	1,298	1,298
Investment in a joint venture	6,040	4,732	-	-
Investments in subsidiaries	-	-	16,846	16,897
Investment properties	1,314,097	1,354,593	-	-
Property, plant & equipment	7,476	8,735	1,660	560
	<u>1,455,998</u>	<u>1,486,084</u>	<u>411,139</u>	<u>393,896</u>
<b>Total assets</b>	<b><u>1,547,755</u></b>	<b><u>1,582,714</u></b>	<b><u>457,467</u></b>	<b><u>438,723</u></b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	55,105	46,182	21,153	11,789
Other liabilities	430	-	-	-
Current income tax liabilities	12,309	9,336	1,372	2,019
Derivative financial instruments	-	122	-	122
Borrowings	80,016	63,258	2,137	12,404
Lease liabilities	17,739	17,946	493	426
	<u>165,599</u>	<u>136,844</u>	<u>25,155</u>	<u>26,760</u>
<b>Non-current liabilities</b>				
Other liabilities	684	1,489	-	-
Deferred income tax liabilities	20,684	13,295	35	40
Derivative financial instruments	-	2,113	-	-
Borrowings	583,087	664,432	131,989	111,662
Lease liabilities	69,213	87,222	965	-
	<u>673,668</u>	<u>768,551</u>	<u>132,989</u>	<u>111,702</u>
<b>Total liabilities</b>	<b><u>839,267</u></b>	<b><u>905,395</u></b>	<b><u>158,144</u></b>	<b><u>138,462</u></b>
<b>NET ASSETS</b>	<b><u>708,488</u></b>	<b><u>677,319</u></b>	<b><u>299,323</u></b>	<b><u>300,261</u></b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	142,242	142,242	253,553	253,553
Other reserves	(60,836)	(25,049)	(534)	(176)
Retained profits	605,524	542,521	46,304	46,884
	<u>686,930</u>	<u>659,714</u>	<u>299,323</u>	<u>300,261</u>
Non-controlling interests	21,558	17,605	-	-
<b>Total equity</b>	<b><u>708,488</u></b>	<b><u>677,319</u></b>	<b><u>299,323</u></b>	<b><u>300,261</u></b>
<b>Gearing ratio*</b>	48%	52%		
<b>Net gearing ratio**</b>	43%	47%		

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

\*\* The net gearing ratio is computed as borrowings less cash and bank balances divided by total capital.

#### 4. Condensed Interim Consolidated Statement of Cash Flows

	Twelve months ended 31 December	
	2022	2021
	\$'000	\$'000
Total profit	76,280	55,797
Adjustments for:		
- Income tax expense	18,985	12,097
- Depreciation	3,663	3,581
- Write back for impairment of trade and other receivables	(316)	(112)
- Net (gain)/loss on disposal of plant and equipment	(10)	13
- Gain on disposal of asset held for sale	-	(2,019)
- Net fair value (gain)/loss on investment properties	(18,982)	3,076
- Interest income	(808)	(520)
- Finance expenses	28,341	22,734
- Share of profit of associated companies and joint venture	(8,919)	(15,077)
- Loss on disposal of financial assets, at FVOCI	6	2
- Fair value losses/(gains) on financial assets at fair value through profit or loss	6	(33)
- Unrealised currency translation differences	(51)	(30)
Operating cash flow before working capital changes	98,195	79,509
Change in working capital		
- Inventories	(170)	(99)
- Trade and other receivables	4,854	(7,058)
- Other assets	(2,694)	653
- Trade and other payables and other liabilities	9,999	9,177
Cash generated from operations	110,184	82,182
Income tax paid	(7,186)	(7,833)
<b>Net cash provided by operating activities</b>	<b>102,998</b>	<b>74,349</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	72	71
Additions to investment properties	(4,548)	(31,006)
Additions to property, plant and equipment	(1,319)	(4,093)
Interest received	779	475
Dividends received from associated companies	3,803	9,675
Purchase of financial assets, at FVOCI	(1,000)	(2,750)
Proceeds from disposal of financial assets, at FVOCI	500	3,730
Proceeds from disposal of asset held for sale	-	3,905
<b>Net cash used in investing activities</b>	<b>(1,713)</b>	<b>(19,993)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	63,698	48,327
Loan from non-controlling interests	92	115
Repayment of loan from associated company	(3,600)	(2,160)
Repayment of borrowings	(103,953)	(71,269)
Interest paid on borrowings	(24,796)	(19,410)
Interest paid on lease liabilities	(3,228)	(3,538)
Repayment of principal portion of lease liabilities	(17,950)	(13,948)
Restricted cash charged as security to bank	(534)	(1,184)
Dividends paid to equity holders of the Company	(8,422)	-
Dividends paid to non-controlling interests	(980)	(8,771)
Premium paid for purchase of interest rate cap	(523)	-
<b>Net cash used in financing activities</b>	<b>(100,196)</b>	<b>(71,838)</b>
Net increase/(decrease) in cash and cash equivalents held	1,089	(17,482)
<b>Cash and cash equivalents</b>		
Beginning of the financial year	67,493	83,868
Effects of currency translation on cash and cash equivalents	(2,026)	(77)
End of the financial year	<b>66,556</b>	<b>66,309</b>
The consolidated cash and cash equivalents comprise the following:-		
Cash and bank balances	68,274	67,493
Restricted cash and short-term bank deposits charged as security to bank	(1,718)	(1,184)
	<b>66,556</b>	<b>66,309</b>

## 5. Condensed Interim Consolidated Statement of Changes in Equity

<b>GROUP</b>	← Attributable to equity holders of the Company →				Non-controlling interests \$'000	Total Equity \$'000
	Share capital	Other reserves	Retained profits	Total		
	\$'000	\$'000	\$'000	\$'000		
<b>2022</b>						
Balance at 1 January 2022	142,242	(25,049)	542,521	659,714	17,605	677,319
Profit for the year	-	-	71,425	71,425	4,855	76,280
Other comprehensive (loss)/income for the year	-	(35,787)	-	(35,787)	78	(35,709)
<b>Total comprehensive (loss)/income for the year</b>	-	(35,787)	71,425	35,638	4,933	40,571
Dividends paid to non-controlling interest	-	-	-	-	(980)	(980)
Dividends relating to 2022 paid	-	-	(4,209)	(4,209)	-	(4,209)
Dividends relating to 2021 paid	-	-	(4,213)	(4,213)	-	(4,213)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(8,422)	(8,422)	(980)	(9,402)
<b>Balance at 31 December 2022</b>	<b>142,242</b>	<b>(60,836)</b>	<b>605,524</b>	<b>686,930</b>	<b>21,558</b>	<b>708,488</b>
<b>2021</b>						
Balance at 1 January 2021	142,242	(26,488)	489,842	605,596	23,189	628,785
Profit for the year	-	-	52,679	52,679	3,118	55,797
Other comprehensive income for the year	-	1,439	-	1,439	69	1,508
<b>Total comprehensive income for the year</b>	-	1,439	52,679	54,118	3,187	57,305
Dividends paid to non-controlling interest	-	-	-	-	(8,771)	(8,771)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	-	(8,771)	(8,771)
<b>Balance at 31 December 2021</b>	<b>142,242</b>	<b>(25,049)</b>	<b>542,521</b>	<b>659,714</b>	<b>17,605</b>	<b>677,319</b>
	Share capital	Other reserves	Retained profits	Total		
	\$'000	\$'000	\$'000	\$'000		
<b>COMPANY</b>						
<b>2022</b>						
Balance at 1 January 2022	253,553	(176)	46,884	300,261		
Profit for the year	-	-	7,842	7,842		
Other comprehensive loss for the year	-	(358)	-	(358)		
<b>Total comprehensive income for the year</b>	-	(358)	7,842	7,484		
Dividends relating to 2022 paid	-	-	(4,209)	(4,209)		
Dividends relating to 2021 paid	-	-	(4,213)	(4,213)		
Total transactions with owners, recognised directly in equity	-	-	(8,422)	(8,422)		
<b>Balance at 31 December 2022</b>	<b>253,553</b>	<b>(534)</b>	<b>46,304</b>	<b>299,323</b>		
<b>2021</b>						
Balance at 1 January 2021	253,553	(1,188)	26,750	279,115		
Profit for the year	-	-	20,134	20,134		
Other comprehensive income for the year	-	1,012	-	1,012		
<b>Total comprehensive income for the year</b>	-	1,012	20,134	21,146		
<b>Balance at 31 December 2021</b>	<b>253,553</b>	<b>(176)</b>	<b>46,884</b>	<b>300,261</b>		

## 6. Segment Information

Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding period

The business of the Group is organised into the following business segments:

- a) Workers Accommodation
- b) Student Accommodation
- c) Others

	Workers accommodation \$'000	Student accommodation \$'000	Others \$'000	Total \$'000
<b>Year ended 31 December 2022</b>				
<b>Revenue:</b>				
Sales to external parties	134,684	44,222	1,544	180,450
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	3,541	801	1,544	5,886
- Over time	13,168	2,223	-	15,391
Segment results	77,676	17,566	(345)	94,897
Finance expense	(16,771)	(11,570)	-	(28,341)
Interest income				808
Fair value (loss)/gain on investment properties	(7,936)	26,918	-	18,982
Share of profit of associated companies and joint venture	8,034	859	26	8,919
Profit before tax				95,265
Income tax expense				(18,985)
<b>Net profit</b>				<b>76,280</b>
<b>Included in segment results:-</b>				
Depreciation	2,974	672	17	3,663
<b>As at 31 December 2022</b>				
Segment assets	843,764	533,190	767	1,377,721
Short-term bank deposits				36,480
Financial assets, at FVOCI				6,466
Tax recoverable				768
Investments in associated companies	79,609	39,623	1,048	120,280
Investment in a joint venture	-	6,040	-	6,040
<b>Consolidated total assets</b>				<b>1,547,755</b>
Segment liabilities	127,677	15,369	125	143,171
Borrowings	377,875	285,228	-	663,103
Current income tax liabilities				12,309
Deferred income tax liabilities				20,684
<b>Consolidated total liabilities</b>				<b>839,267</b>
<b>Other segment items:</b>				
Capital expenditure	3,263	2,804	-	6,067

## 6. Segment Information (continued)

The segment information provided to the Senior Management for the reportable segments are as follows:

	Workers accommodation \$'000	Student accommodation \$'000	Others \$'000	Total \$'000
<b>Year ended 31 December 2021</b>				
<b>Revenue:</b>				
Sales to external parties	109,428	32,064	1,525	143,017
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	3,272	593	1,525	5,390
- Over time	11,089	1,979	-	13,068
Segment results	65,037	10,723	328	76,088
Gain on disposal of asset held for sale	2,019	-	-	2,019
Finance expense	(14,165)	(8,569)	-	(22,734)
Interest income				520
Fair value (losses)/gains on investment properties	(12,932)	9,856	-	(3,076)
Share of profit of associated companies and joint venture	4,425	10,630	22	15,077
Profit before tax				67,894
Income tax expense				(12,097)
<b>Net profit</b>				<b>55,797</b>
<b>Included in segment results:-</b>				
Depreciation	2,832	717	32	3,581
<b>As at 31 December 2021</b>				
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
<b>Consolidated total assets</b>				<b>1,582,714</b>
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
<b>Consolidated total liabilities</b>				<b>905,395</b>
<b>Other segment items:</b>				
Capital expenditure	9,046	26,483	36	35,565



## **7. NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FOR THE YEAR ENDED 31 DECEMBER 2022**

### **a) General information**

Centurion 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 ("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 unaudited condensed interim consolidated financial statements are presented in thousands of Singapore Dollars (S\$'000) unless otherwise stated.

### **b) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

This unaudited condensed interim consolidated financial statements for the six months and the full year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34, "Interim Financial Reporting", and International Accounting Standard ("IAS") 34, "Interim financial reporting".

It 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 SFRS(I)s and International Financial Reporting Standards ("IFRSs").

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.

It has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except where new or amended IFRSs or SFRS(I)s and Interpretation to IFRSs and SFRS(I)s became effective from this financial year.

### **c) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

In the current year, 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 year and prior years.

### **d) Use of judgements and estimates**

In preparing the 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 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 7 (p) – determination of fair value of investment properties using significant unobservable inputs.

e) Revenue

	Group Second Half Year ended 31 December		Group Twelve months ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Rental income from investment properties	81,030	67,049	159,173	124,559
<u>Revenue from contracts with customers (IFRS15)</u>				
Other revenue from accommodation business	5,856	6,619	12,817	10,569
Sale of optical storage media and other trading goods	512	998	1,544	1,525
Management services	2,524	3,624	6,916	6,364
Total revenue	89,922	78,290	180,450	143,017
<u>Geographical information</u>				
Singapore	59,293	55,233	120,311	98,255
Malaysia	8,925	6,733	15,917	13,468
Australia	6,441	2,189	10,984	4,537
United Kingdom	13,892	12,931	30,591	24,533
Other countries	1,371	1,204	2,647	2,224
Total revenue	89,922	78,290	180,450	143,017

f) Revenue and profit breakdown

	Group Twelve months ended 31 December	
	2022 \$'000	2021 \$'000
<u>Continuing operation:</u>		
(a) Revenue reported for first half year	90,528	64,727
(b) Profit after tax reported for first half year	35,073	9,098
(c) Revenue reported for second half year	89,922	78,290
(d) Profit after tax reported for second half year	41,207	46,699

g) Other income

	Group Second Half Year ended 31 December		Group Twelve months ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest income				
- Financial assets measured at amortised cost	288	77	378	164
- Debt investments measured at FVOCI	224	192	430	356
	512	269	808	520
Government grant income	122	2,119	1,001	4,001
Government grant expense - rent concessions	-	(46)	-	(46)
	122	2,073	1,001	3,955
Others	738	18	843	240
	1,372	2,360	2,652	4,715

#### h) Other (losses)/gains - net

	Group		Group	
	Second Half Year ended 31 December		Twelve months ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Currency exchange losses - net	(713)	(122)	(1,533)	(106)
Net (loss)/gain on disposal of plant and equipment	(10)	(9)	10	(13)
Net gain on disposal of asset held for sale	-	2,019	-	2,019
Financial assets, at fair value through other comprehensive income				
- reclassification from other comprehensive income on disposal	-	-	(6)	(2)
Fair value (loss)/gain on financial assets, at fair value through profit or loss	(6)	33	(6)	33
Others	543	21	291	6
	(186)	1,942	(1,244)	1,937
(Allowance)/write back for impairment of trade and other receivables	(65)	22	316	112
Gain/(loss) on derecognition of financial assets	30	(666)	(89)	(666)
	(221)	1,298	(1,017)	1,383

#### i) Income tax expense

	Group		Group	
	Second Half Year ended 31 December		Twelve months ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Tax expense attributable to the profit is made up of:				
- Profit for the financial year				
Current income tax				
- Singapore	3,081	3,413	7,144	6,124
- Foreign	1,165	549	2,711	1,606
	4,246	3,962	9,855	7,730
Deferred income tax	1,887	4,884	8,619	4,344
	6,133	8,846	18,474	12,074
- (Over)/under provision in prior financial year				
Current income tax	(1,284)	62	230	23
Deferred income tax	297	(17)	281	-
	5,146	8,891	18,985	12,097

#### j) Other information on Income Statement

	Group		Group	
	Second Half Year ended 31 December		Twelve months ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Depreciation	(1,926)	(1,890)	(3,663)	(3,581)

**k) Dividends****Ordinary dividends paid**

Interim exempt dividend paid in respect of current financial year of 0.5 Singapore cent (2021: interim exempt dividend paid in respect of the financial year 2021 of nil Singapore cent) per share

Final exempt dividend paid in respect of the previous financial year of 0.5 Singapore cent (2021: final exempt dividend paid in respect of the financial year 2020 of nil Singapore cent) per share

<b>Group</b>	
<b>Twelve months ended 31 December</b>	
<b>2022</b>	<b>2021</b>
<b>\$'000</b>	<b>\$'000</b>
4,209	-
4,213	-
<b>8,422</b>	<b>-</b>

**l) Related party transactions****(a) Sales and purchases of goods and services**

Services provided to immediate holding corporation

Services provided to associated companies

Purchases from a company which a director has an interest

Lease payments to associated companies

Interest charged by associated company

Interest charged by non-controlling interest

<b>Group</b>	
<b>Twelve months ended 31 December</b>	
<b>2022</b>	<b>2021</b>
<b>\$'000</b>	<b>\$'000</b>
153	88
2,228	1,973
103	66
916	742
1,107	631
187	97
5,362	4,704
107	118
<b>5,469</b>	<b>4,822</b>

**(b) Key management personnel compensation**

Wages and salaries

Employer's contribution to defined contribution plan, including Central Provident Fund

Included in above, total compensation to directors of the Company amounted to S\$2,971,000 (2021: S\$2,407,000).

**m) Trade and other receivables**

Trade receivables primarily consisted of the trade receivables from non-related parties. i.e. customers.

The majority of the Group's sales are on cash terms. The remaining overdue amounts, were mainly due to some customers requesting for a delay in payment and we allow them for deferred settlement of up to 30 days (for workers and student accommodation) or up to 60 days (for commercial tenants of student accommodations and optical disc and other trading business), as the case may be, after considering the requesting customer's rental deposit balance, payment history and financial situation, in order to maintain long term relationships with the customers.

The ageing analysis of trade receivables based on invoice date is as follows:

	<b>Group</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Up to 3 months	5,387	9,469
3 to 6 months	1,088	2,124
Over 6 months	436	537
	6,911	12,130
Less: Cumulative allowance for impairment	(796)	(1,338)
	<b>6,115</b>	<b>10,792</b>

**n) Financial assets, at fair value through other comprehensive income**

Financial assets, at fair value through other comprehensive income are analysed as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Listed debt securities – Singapore	6,466	6,453	6,466	6,453

Financial assets, at fair value through other comprehensive income were classified as current assets as management intends to hold these assets for contractual cash flows and dispose these assets as and when they are needed for working capital.

**o) Financial assets, at fair value through profit or loss**

Financial assets, at fair value through profit or loss are analysed as follows:

	<b>Group</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Designated at fair value on initial recognition</i>		
- Unquoted equity investment – Singapore	51	57

As at 31 December 2022 and 2021, the fair value of unquoted equity investment is estimated by making reference to the Group's share in the attributable net assets of the investee company as reflected in their latest available financial information. The attributable net assets of the investee company comprise mainly of real estate properties, and are adjusted where applicable, for independent valuations of the real estate properties held by the investee company as at balance sheet date.

**p) Investment properties**

	<b>Group</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	1,354,593	1,307,770
Currency translation differences	(64,309)	(6,215)
Additions	4,886	56,114
Modification of lease liability in relation to the right-of-use asset	(55)	-
Net fair value gain/(loss) recognised in profit or loss	18,982	(3,076)
End of financial year	<b>1,314,097</b>	<b>1,354,593</b>

Investment properties are leased to non-related parties under operating leases.

Included in additions are acquisition of an investment property of S\$nil (2021: S\$9,812,000), capitalised expenditure of S\$4,886,000 (2021: S\$21,134,000) and right-of-use assets ("ROU") of S\$nil (2021: S\$25,168,000).

Certain investment properties are pledged as security for the bank facilities extended to subsidiaries. The carrying values of these investment properties amounted to approximately S\$1,213,555,000 (2021: 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.

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year based on the properties' highest and best use. 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 recognised the net fair value gain on investment properties amounted to S\$18,982,000 (2021: fair value loss of S\$3,076,000). The breakdown is as follows:

	<b>Group</b>	
	<b>Twelve months</b>	
	<b>ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Net fair value gain in relation to investment properties	36,442	4,890
Net fair value loss in relation to right-of-use assets classified as investment properties	(17,460)	(7,966)
Total	<b>18,982</b>	<b>(3,076)</b>

**q) Property, plant & equipment**

During the financial year ended 31 December 2022, the additions and disposals of the Group's property, plant and equipment amounted to S\$1,181,000 (2021: S\$4,619,000) and S\$62,000 (2021: S\$84,000) respectively.

During the current financial year, the Group renegotiated and modified an existing lease contract for office space by extending the lease term by another 3 years at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition of S\$1,538,000 to the ROU, classified under 'Property, plant and equipment'. The corresponding remeasurement to lease liability is recorded on balance sheet.

**r) Trade and other payables**

Trade payables mainly comprised payables to utilities, suppliers of consumables and services.

Trade payables that are aged over 3 months were mainly due to liabilities recognised but under negotiation with suppliers over payment or goods/services delivered. Our trade payables were due according to the terms on the relevant contracts. In general, our suppliers grant us a credit term of cash terms of up to 30 days and we settle our payment by cheque or bank transfer.

The ageing analysis of trade payables based on invoice date is as follows:

	<b>Group</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Up to 3 months	2,904	3,579
3 to 6 months	113	95
Over 6 months	215	249
	<b>3,232</b>	<b>3,923</b>

**s) Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
(i) Amount repayable in one year or less, or on demand				
Secured	73,837	47,254	-	-
Unsecured	6,179	16,004	2,137	12,404
Sub Total	<b>80,016</b>	<b>63,258</b>	<b>2,137</b>	<b>12,404</b>
(ii) Amount repayable after one year				
Secured	439,116	528,835	-	-
Unsecured	143,971	135,597	131,989	111,662
Sub Total	<b>583,087</b>	<b>664,432</b>	<b>131,989</b>	<b>111,662</b>
Total borrowings	<b>663,103</b>	<b>727,690</b>	<b>134,126</b>	<b>124,066</b>

(iii) Details of any collateral

The Group's secured borrowings include bank borrowings. The borrowings are secured by fixed charges over certain investment properties of the subsidiaries.

**t) Share capital and treasury shares**

<b>Company No. of shares issued</b>	<b>Group Share capital \$'000</b>	<b>Company Share capital \$'000</b>
840,778,624	142,242	253,553

**Share capital**

Beginning and end of financial year

<b>Company</b>	
<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
840,778,624	840,778,624

Total number of issued shares excluding treasury shares

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

There was no share buy-back since the end of the previous financial year.

**Share options, warrants and convertibles**

As at 31 December 2022 and 31 December 2021, the Company did not have any employee share option scheme and has no outstanding options, warrants or convertibles.

**Treasury shares and subsidiary holdings**

	<b>Company</b>	
	<b>As at 31 Dec 2022</b>	<b>As at 31 Dec 2021</b>
Number of shares held as treasury shares	-	-
Number of subsidiary holdings	-	-
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding	0%	0%

Number of shares held as treasury shares

Number of subsidiary holdings

Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding

**u) Purchase, sales or redemption of the Company's listed securities and sales, transfer, cancellation and/or use of treasury shares and subsidiary holdings**

There was no purchase, sales or redemption of the Company's listed securities and sales, transfer, cancellation and/or use of treasury shares and subsidiary holdings during the year ended 31 December 2022 except for S\$53,000,000 fixed rate notes due 2026 (the "Series 006 Notes") were issued by the Company on 28 November 2022 and listed in the Bonds Market of the SGX-ST on 29 November 2022 comprising:

- (i) S\$38,500,000 Series 006 Notes in exchange for S\$38,500,000 fixed rate notes due 2024 (the "Series 005 Notes"), which were cancelled on 28 November 2022 pursuant to the exchange offer exercise; and
- (ii) S\$14,500,000 additional Series 006 Notes.

On 1 December 2022, S\$10,250,000 Series 005 Notes were cancelled pursuant to a conditional tender offer exercise. Following the cancellation of such Series 005 Notes, the aggregate outstanding principal amount of the Series 005 Notes was S\$6,250,000.



## v) Capital commitments

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

	Group	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Property, plant and equipment	105	55
Investment properties	13,350	13,408

## w) Non-IFRS measure

The Group has disclosed non-IFRS measure consistently over the past years to provide the shareholders and potential investors with a clearer understanding of the Group's year-to-year or period-to-period recurring profits derived from the Group's core business operations.

The reconciling items were disclosed on the Condensed Interim Consolidated Income Statement on Page 2.

The adjusting items for IFRS financial measure to non-IFRS financial measure include the following:-

### In relation to fair value changes:

- i) Fair value gain 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 each reporting year. 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. The Group had recognised the fair value changes as fair value gain/(loss) in the Condensed Interim Consolidated Income Statement. The fair value gain/(loss) also included the adjustment of the fair value of right-of-use assets classified as investment properties in relation to the Group's leased properties in accordance with IFRS 16 Leases.
- ii) Deferred tax expenses arising from fair value changes. The deferred tax expenses 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 gains.

### In relation to one-off capital gain:

- iii) Gain on disposal of asset held for sale was a one-off transaction recognised through the disposal of the asset held for sale to third party during the previous financial year.

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 financial year ended 31 December 2022 together with the comparative figures for the financial year ended 31 December 2021. These fair value movements and one-off transaction 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.

## 8. Group Performance Review

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

### (a)(i) Second half year review – 2H 2022 vs 2H 2021

The Group's revenue increased 15% to S\$89.9 million in the second half year ended 31 December 2022 ("2H 2022"), from S\$78.3 million reported in the second half year ended 31 December 2021 ("2H 2021"). Profit from core business operations increased by S\$2.0 million or 7% from the corresponding period a year ago to S\$31.1 million.

The higher Group revenue was attributable to the stronger demand for workers and student accommodation across all geographies during the second half of the year where concerns for COVID-19 abated and countries lifted almost all COVID-19 restrictions and measures. Our portfolio of Purpose-Built Student Accommodation ("PBSA") assets in Australia, Purpose-Built Workers Accommodation ("PBWA") in Singapore and Malaysia has seen a healthy recovery in financial occupancy in 2H 2022 as compared to the corresponding period last year.

The Group's PBSA in Australia saw a growth in financial occupancy from 25% in 2H 2021 to 86% in 2H 2022, with the re-opening of Australia's international borders on 15 December 2021.

Financial occupancy for the Group's Singapore PBWA, which consist of five Purpose-Built Dormitories ("PBDs") and four Quick Build Dormitories ("QBDs") had fully recovered to Pre-Pandemic levels during the second half as more migrant workers had to be brought into Singapore to complete projects which had been delayed or deferred due to the pandemic. The Group's PBDs had recovered from 88% in 2H 2021 to 98% in 2H 2022. Two of the QBDs in Singapore, Westlite Jalan Tukang and Westlite Tuas South Boulevard, which commenced operations and were ramping up occupancy progressively in 2H 2021, have achieved close to full occupancy in 2H 2022.

Malaysia PBDs occupancy had also recovered from 77% in 2H 2021 to 89% in 2H 2022 due to the easing of border restrictions and gradual increases in numbers of migrant workers returning to Malaysia from 3Q 2022.

The Group's PBSAs in the United Kingdom ("UK") registered a higher occupancy rate of 91% in 2H 2022 compared to 82% in 2H 2021 with higher rental rates, although a weaker British pound moderated revenue in 2H 2022.

The two migrant workers Onboard Centres ("OCs") that the Group managed in Singapore ceased operations from September 2022 as the government deemed that these facilities had fulfilled their objective in managing the safe arrival and assimilation of migrant workers into Singapore during the pandemic. This has offset the overall improvement in the Group's 2H 2022 revenue as compared to 2H 2021.

Consequently, the Group's gross profit increased S\$11.8 million or 23% from S\$50.9 million in 2H 2021 to S\$62.6 million in 2H 2022 mainly as a result of revenue growth attributable to the improvement in financial occupancy.

Other income and other (losses)/gains saw a total reduction of S\$2.5 million largely due to the cessation of various government support schemes in respect of COVID-19 and the absence of a gain of S\$2.0 million from the disposal of the factory unit in Indonesia in 2H 2021.

Administrative and distribution expenses increased by S\$4.2 million due mainly to the overall increase in business activities as well as higher professional fees incurred in relation to the ongoing strategic review exercise for student accommodation assets and asset due diligence costs.

Finance expenses increased by S\$5.2 million due to the higher interest rate environment but were partially offset against reduced loan balances.

Share of profit of associated companies and joint venture reduced by S\$7.2 million, largely due to a reduction in the contribution from our 28.7% share in Centurion US Student Housing Fund ("Fund"). This reduction is a result of fair value adjustments from the US student assets portfolio and professional costs incurred by the Fund in the proposed divestment of its assets, which had not materialised.

A fair valuation exercise was conducted by independent valuers on the Group's investment properties as at 31 December 2022, and a net fair value gains of S\$9.4 million was recognised in 2H 2022 as compared to a net fair value gain of S\$11.4 million recognised in 2H 2021. The fair value gains was a reflection of market conditions.

Income tax expenses reduced 42% from S\$8.9 million to S\$5.2 million largely due to lower deferred tax arising from fair value changes in the investment properties.

Accordingly, net profit after tax derived from the Group's operations for 2H 2022 was S\$41.2 million, as compared to S\$46.7 million in 2H 2021.

Excluding fair value adjustments and gain on disposal of asset held for sale, net profit derived from core business operations was S\$31.1 million in 2H 2022, which was S\$2.0 million higher than the S\$29.1 million reported in 2H 2021.

#### **(a)(ii) Full year review – FY 2022 vs FY 2021**

The Group registered a 26% growth in revenue, from S\$143.0 million in the twelve months ended 31 December 2021 ("FY 2021") to S\$180.5 million in the twelve months ended 31 December 2022 ("FY 2022"), due mainly to:

(i) increases in financial occupancy across all countries in which the Group operates, as all countries continued to ease their COVID-19 management measures. This includes workers accommodation in Singapore and Malaysia, and student accommodation in UK, Australia and South Korea.

(ii) revenue contributions from four new QBDs which delivered a full year's contribution in FY 2022 as compared to FY 2021 when only two QBDs delivered a full year contribution while two QBDs commenced operations in June and September 2021.

Gross profit increased S\$29.3 million or 31% from S\$94.3 million in FY 2021 to S\$123.6 million in tandem with the increase in revenue.

Other income and other (losses)/gains reduced by S\$4.5 million largely from the cessation of various government support schemes in respect of COVID-19 and an absence of a gain of S\$2.0 million from the disposal of the factory unit in Indonesia which was completed in FY 2021.

Administrative and distribution expenses increased by S\$7.7 million mainly due to the recovery and increase in business activities across the Group as well as a higher legal and professional fee incurred in relation to the strategic review exercise for student accommodation and asset due diligence cost incurred during the year.

Finance expense increased S\$5.6 million due to the higher interest rate environment which was partially offset against reduced loan balances.

Share of profit of associated companies and joint venture reduced by S\$6.2 million, due largely to fair value adjustments from investments in the Group's US portfolio.

The Group recognised a net fair value gain of S\$19.0 million in FY 2022 due mainly to the Group's investment properties in UK, Malaysia and Australia, 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\$3.1 million in FY 2021 when the market conditions and financial occupancy rates were severely impacted due to the COVID-19 pandemic and the adjustment of fair value of ROU investment properties.

Income tax expenses increased by S\$6.9 million due largely to higher profit and deferred income tax provided on the fair value gain in investment properties.

Accordingly, net profit after tax derived from the Group's operations for FY 2022 increased S\$20.5 million or 37% from S\$55.8 million in FY 2021 to S\$76.3 million in FY 2022.

Excluding fair value adjustments and gain on disposal of asset held for sale, net profit derived from core business operations was S\$63.5 million in FY 2022, which was S\$10.4 million or 20% higher than the S\$53.1 million reported in FY 2021.

#### **(b) Review of Group Balance Sheet**

##### **Assets**

Trade and other receivables reduced S\$5.1 million largely due to trade debts were collected in FY 2022.

Other non-current assets increased S\$3.3 million largely due to deposits paid for upcoming projects that will be undertaken by the Group.

The Group reduced its interest rate risk on borrowings through the purchase of an interest rate swap. With interest rates have risen beyond the interest rate swap rate, an asset of S\$3.8 million was recorded as at 31 December 2022 compared to a liability of S\$2.2 million as at 31 December 2021.

Investment properties reduced by S\$40.5 million, largely due to the weakening of the British Pound, Australian dollars, Malaysian Ringgit, offset in part by fair value gains.

Trade and other payables increased by S\$8.9 million due primarily to rental deposits and advance rental received from new tenants in line with the increase in occupancy rates.

Lease liabilities decreased by S\$18.2 million to S\$87.0 million due mainly to the repayment of the principal component of the lease liabilities.

Deferred income tax liabilities increased by S\$7.4 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\$663.1 million as at 31 December 2022, due primarily to the repayment of borrowings and foreign currency denominated loans which were particularly affected by the weakening of British Pounds, Australian dollars and Malaysia Ringgit.

The Group's net gearing ratio was 43% as at 31 December 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 31 December 2022, the Group's balance sheet remained healthy with S\$68.3 million in cash and bank balances. The Group has unutilised committed credit facilities of S\$129.2 million (of which S\$121.7 million relates to unutilised committed credit facilities expiring more than 12 months after balance sheet date) to meet the net current liabilities of S\$73.8 million as at 31 December 2022.

### **(c) Review of Company Balance Sheet**

Trade and other receivables as well as trade and other liabilities mainly relate to intercompany balances with subsidiaries.

Borrowings as at 31 December 2022 increased S\$10.0 million due to S\$59.25 million fixed rate notes in issue as at 31 December 2022 as compared to S\$55 million fixed rate notes as at 31 December 2021. The fixed rate notes in issue as at 31 December 2022 comprises of S\$53 million fixed rates notes due 2026 (the "Series 006 Notes") and S\$6.25 million of the Series 005 Notes due 2024. There were also additional borrowings to fund the Group's expanded business.

### **(d) Review of Statement of Cash Flows**

In FY 2022, the Group generated a positive cash flow of S\$103.0 million from operating activities.

Net cash used in investing activities amounted to S\$1.7 million, mainly due to additions to investment properties and property, plant and equipment and offset with dividends received from associated companies.

The Group recorded net cash used in financing activities of S\$100.2 million mainly for the repayment of borrowings, interest, principal portion of lease liabilities and dividends paid during the year.

9. (a) Earnings per share

	Group Twelve months ended 31 December	
	2022	2021
Net profit attributable to equity holders of the Company (S\$'000)	71,425	52,679
Net profit from core business operations attributable to equity holders of the Company (S\$'000)	57,090	46,486
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,779	840,779
<u>Earnings per ordinary share:</u>		
(i) Basic earnings per share (cents)	8.50	6.27
(ii) Diluted earnings per share (cents)	8.50	6.27
<u>Earnings per ordinary share based on core business operations:</u>		
(i) Basic earnings per share (cents)	6.79	5.53
(ii) Diluted earnings per share (cents)	6.79	5.53

(b) Net asset value

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value per ordinary share (see note below)	81.70 cents	78.46 cents	35.60 cents	35.71 cents

Note:

The Group's and Company's net asset value per ordinary share is calculated based on the Company's total number of issued shares (excluding treasury shares) of 840,778,624 ordinary shares as at 31 December 2022 and 31 December 2021.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

As at 31 December 2022, Centurion operates a diversified portfolio of 36 operational purpose-built workers and student accommodation assets (“PBWA” and “PBSA” respectively), comprising 66,291 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 PBWA, including five Purpose-Built Dormitories (“PBDs”) comprising 27,530 beds, and four Quick Build Dormitories (“QBDs”) comprising 6,368 beds. The average financial occupancy across the portfolio in Singapore was 97% in FY 2022, a marked improvement from 85% in FY 2021.

Both the PBDs as well as QBDs are close to full financial occupancy. The five PBDs’ financial occupancy in FY 2022 was 97%, an improvement of 12 percentage points compared to FY 2021 whilst the four QBDs’ financial occupancy in FY 2022 was stronger at 99%, an improvement of 18 percentage points compared to FY 2021.

With the recovery of the Singapore economy in 2022 driven by the reopening of its borders, financial occupancy at the Group’s PBWAs has improved steadily during the year alongside healthy rental rate increases. The year saw the resumption of arrivals of dormitory-bound work pass holders in Singapore as the construction, marine and process sectors recovered in tandem with the overall Singapore economy. Augmented by measures put in place by the Ministry of Manpower to bring in more work permit holders to meet the high demand for migrant workers post-COVID, occupancies at the Group’s Singapore PBWA assets has exceeded pre-COVID levels and is expected to remain robust in the year ahead due to the sustained demand in the construction sector which the Building and Construction Authority has estimated to be worth between S\$25 billion to S\$32 billion annually from 2023 to 2026<sup>1</sup>.

The Group continues to explore opportunities to enlarge and enhance its Singapore portfolio in support of employers and industry. In January 2023, the Group together with a joint venture partner won a land tender from JTC, for development and use as a purpose built worker dormitory on a 30-year land lease. Centurion owns 51% in the joint venture company which was awarded the tender, with Lian Beng Group Ltd holding the remaining 49%. The land is situated at Ubi Avenue 3 in the east of Singapore, a region which has few Purpose Built Dormitories, is supported mainly by Factory Converted Dormitories, and faces a shortage of bed supply to address strident demand. The development, which is expected to be completed in 2025, will add approximately 1,650 beds to the Group’s portfolio of owned and managed assets.

The Group has also been focusing on revenue diversification, such as from management fee and ancillary services, and has won a management service contract from Ministry of Manpower to manage a cluster of five Community Recovery Facilities for an initial period of six months, with option to extend further, commencing in February 2023.

**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 workforce<sup>2</sup>.

The Malaysian PBWA portfolio bed capacity was 26,313 beds as at 31 December 2022, following the completion of reconfiguration works to comply with the Workers’ Minimum Standards of Housing and Amenities (Amendment) Act 2019 (“Act 446”).

The average financial occupancy for the Malaysia PBWA portfolio improved to 80% for FY 2022, with the financial occupancy in Westlite-PKNS Petaling Jaya ramping up significantly. Demand for quality PBWA beds continues to rise, as employers are now able to bring in workers with fewer restrictions or delays<sup>3</sup>, and with continued enforcement of Act 446 which requires employers to provide quality accommodation to their migrant workforce.

The Group had, in 2Q 2022, completed asset enhancement works at Westlite Tebrau and added 688 beds to the portfolio. In 4Q 2022, the Group also completed further asset enhancement works at Westlite Tampoi, adding 1,214 beds in Johor. The Group will continue to explore opportunities to grow organically by reconfiguring spaces to add bed capacity, in support of increasing demand for PBWA. The Group has also secured a 10-year management contract for a 2,196-bed PBWA, Westlite Cemerlang in Johor, which is expected to commence operations in 3Q 2023.

**Remarks:**

1. [Improved Construction Demand Paves Way for BE sector recovery](#), Building and Construction Authority, 17 February 2022
2. [The changing landscape of Workers Accommodation](#), Knight Frank, November 2021
3. [Over 238,000 foreign workers with approved visa entering Malaysia soon, says minister](#), The Edge Markets, 4 October 2022

## **Student Accommodation**

As at 31 December 2022, the Group has 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 significantly across the markets in tandem with the lifting of travel restrictions particularly in the UK and Australia. The momentum in the recovery across the markets in which the Group operates is expected to grow even stronger in the next 12 months, due to a decision by China in January 2023 to stop recognizing online degree from overseas universities, resulting in a wave of Chinese students wanting to return to campus<sup>4</sup>.

### **United Kingdom**

The average financial occupancy in the Group's UK portfolio, which comprises 10 assets strategically located near top universities, has improved significantly with the lifting of all travel restrictions and the return of international students to the UK in 2022. Average financial occupancy improved from 72% in FY 2021 to 90% in FY 2022 with UK higher education providers hosting 679,970 international students<sup>5</sup>.

In the UK, continued shortage in PBSA supply in the face of increasing demand has enabled strong rental reversions, which cushioned the impact of escalating energy prices and increased operating costs as well as increased finance expenses.

Pre-bookings for Academic Year 2023/24 commencing September 2023 are healthy, and the Group continues to explore opportunities to enhance its UK portfolio to meet evolving demands.

### **Australia**

In Australia, the average financial occupancy of the Group's two assets in Adelaide and Melbourne improved significantly from 26% in FY 2021 to 73% in FY 2022, as borders re-opened and international students were welcomed back into the country. International students are steadily flooding back to Australia, but face a severe shortage of accommodations. Growth in student population and demand for PBSA are expected to continue, following China's move to end recognition of online degrees<sup>6</sup>.

### **South Korea**

In South Korea, dwell Dongdaemum has exhibited strong recovery, with financial occupancy increasing to 84% in FY 2022 as compared to 66% in FY 2021. International student arrivals for exchange programmes and language courses are expected to further improve, while the Group continues to explore opportunities to realise the value of its asset in South Korea.

### **United States**

Centurion's US portfolio comprises six freehold PBSAs, which are held under the Centurion US Student Housing Fund ("CUSSHF"), the Group's inaugural private fund. Centurion holds approximately 28.7% of the total number of units in issue in CUSSHF and is the manager of the Fund and its assets. The portfolio assets continue to deliver healthy and stable occupancy, and the Group has in November 2022 extended the term of CUSSHF for a further two years.

### **Looking Ahead**

Even as the global recovery from the COVID-19 pandemic is clearly underway with the normalisation of international travel and the numbers of migrant workers as well as students returning to geographical territories where Centurion operates, macroeconomic headwinds lie present in the year ahead amid inflationary pressures, rising interest rates, and geopolitical tensions.

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

The Group will continue to pursue its strategic review of its specialised accommodation portfolio, as part of its efforts to effectively execute capital recycling and capital reallocation towards higher yielding markets and assets. This ongoing strategic realignment is part of the Group's commitment to deliver sustained, long-term value to shareholders through both Asset Enhancement Initiatives as well as investments in synergistic assets and businesses.

#### **Remarks:**

4. [China Bans Overseas Online Colleges](#), Inside Higher Ed, 9 February 2023

5. [International student recruitment data](#), Universities UK, 10 February 2023

6. [International students in Australia face accommodation crunch and soaring rents](#), Straits Times, 11 February 2023

## 11. Use of proceeds

Not applicable

## 12. Dividend

### (a) Current Financial Year Reported On

Any dividend declared for the current financial year reported on ?

Name of Dividend	<u>Interim dividend</u>	<u>Final dividend</u>
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	0.5 cent per ordinary share	0.5 cent per ordinary share
Currency	SGD	SGD
Tax Rate	1-tier tax exempt	1-tier tax exempt

Subject to approval by shareholders of the Company at the Annual General Meeting to be held on 27 April 2023, shareholders in Singapore will receive the proposed final dividend of SGD0.5 cent per share. Shareholders in Hong Kong will receive the proposed final dividend of Hong Kong dollar equivalent of HKD2.87 cents per share.

\*Exchange used: SGD1 = HKD5.7494 as at 28 February 2023

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ?

Name of Dividend	<u>Final dividend</u>
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.5 cent per ordinary share
Currency	SGD
Tax Rate	1-tier tax exempt

### (c) Date Payable

The proposed final dividend, if approved at the Annual General Meeting to be held on 27 April 2023, will be paid on 31 May 2023.

### (d) Book Closure Date

#### For shareholders in Singapore

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 12 May 2023 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 11 May 2023 will be registered to determine shareholders' entitlements to the proposed final dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5:00 pm on 11 May 2023 will be entitled to the proposed final dividend.

#### For shareholders in Hong Kong

The Hong Kong branch share register will be closed on 12 May 2023 for the purpose of determining the shareholders' entitlements to the final dividend to be proposed at the forthcoming Annual General Meeting. In order to qualify for the proposed final 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 11 May 2023.

The Hong Kong branch share register will be closed from 24 April 2023 to 27 April 2023, both days inclusive, during which period no transfer of shares will be registered, for determining the entitlement to attend and vote at the Annual General Meeting to be held on 27 April 2023. 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 21 April 2023.



**13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	Company	
	2022 \$'000	2021 \$'000
Ordinary shares	8,413	4,213
Preference shares	-	-
Total	8,413	4,213

Dividends distributed by the Company are tax exempt dividends for Singapore tax purposes, which means they will not be subject to Singapore tax in the hands of shareholders. There is also no Singapore withholding tax on dividends paid to non-resident shareholders.

**14. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision**

Not applicable

**15. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditor, PricewaterhouseCoopers LLP. The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers LLP, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers LLP in this respect did not constitute an assurance engagement in accordance with Singapore Standards on Auditing, Singapore Standards on Review Engagements, or Singapore Standards on Assurance Engagements and consequently no assurance has been expressed by PricewaterhouseCoopers LLP on the preliminary announcement.

**16. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)**

Not applicable.

**17. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern**

Not applicable as the Group's latest audited financial statements for the financial year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**18. Review by Audit Committee**

The Company has established an audit committee (the "Audit Committee") with written terms of reference which deal clearly with its authority and duties. Amongst the Audit Committee's principal duties is to review and supervise the Company's financial reporting process and internal controls. The Audit Committee has reviewed with the management and the external auditors of the Company, PricewaterhouseCoopers LLP, the annual results announcement of the Group for the year ended 31 December 2022 and the accounting principles and policies adopted by the Group.

The Company has out-sourced its internal audit function to BDO LLP. The internal auditor reports directly to the Chairman of the Audit Committee and presents their reports and audit findings with regards to the adequacy and effectiveness of the Company's internal control and makes recommendations to the Audit Committee.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Gn Hiang Meng, Mr. Chandra Mohan s/o Rethnam and Mr. Owi Kek Hean. Mr. Gn Hiang Meng is the chairman of the Audit Committee.

## **19. 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 Rules Governing the Listing of Securities on the SEHK (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 twelve months ended 31 December 2022, the Company has complied with applicable provisions in the 2018 Code and HK CG Code, except those appropriately justified and disclosed.

## **20. Compliance with Singapore 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 for Securities Transactions by Directors of Listed Issuers (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 twelve months ended 31 December 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.

## **21. Publication of Information on the websites of Hong Kong Exchanges and Clearing Limited, the Company and SGX-ST and Annual General Meeting**

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (the "HKEX") at [www.hkexnews.hk](http://www.hkexnews.hk), the website of the Company at [www.centurioncorp.com.sg](http://www.centurioncorp.com.sg) and the website of the SGX-ST via SGXNET at [www.sgx.com](http://www.sgx.com). Printed copies of the annual report of the Company for the twelve months ended 31 December 2022 will be despatched to shareholders in Hong Kong and made available to shareholders in Singapore upon request. The said annual report will be published on the respective websites of the HKEX, SGX-ST via SGXNET and the Company in due course.

The Annual General Meeting of the Company will be held on Thursday, 27 April 2023.

A notice convening the Annual General Meeting will be published and dispatched to shareholders of the Company in the manner as required by the HK Listing Rules, the Listing Manual of SGX-ST and the Company's Constitution in due course.

## **22. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement was previously disclosed to shareholders of the Company.

## **23. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect**

The Company does not have a general mandate from shareholders for IPTs.

**24. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual of SGX-ST. If there are no such persons, the issuer must make an appropriate negative statement**

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**25. Confirmation of Directors' and Executive Officers' Undertakings**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Listing Manual of SGX-ST.

BY ORDER OF THE BOARD  
CENTURION CORPORATION LIMITED  
Kong Chee Min  
Chief Executive Officer  
28 February 2023

*As at the date of this announcement, the Board comprises Mr. Loh Kim Kang David, Mr. Wong Kok Hoe and Mr. Teo Peng Kwang as executive directors; Mr. Han Seng Juan as non-executive director; and Mr. Gn Hiang Meng, Mr. Chandra Mohan s/o Rethnam, Mr. Owi Kek Hean, Ms. Tan Poh Hong and Mr. Lee Wei Loon as independent non-executive directors.*