Centurion

Centurion Corporation Limited

(Company Registration No. 198401088W)

2014 Fourth Quarter and Twelve Months Financial Statement Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

Financial statements on consolidated results for the Fourth Quarter and Twelve Months ended 31 December 2013
These figures have not been audited.

1(a)(i) Income statement

	Group Fourth Quarter ended 31 December			Group Twelve months ended 31 December		
	2013 $ '000	2012 $ '000 (Restated)	Change %	2013 $ '000	2012 $ '000 (Restated)	Change %
Revenue	17,591	17,560	0	66,432	65,231	2
Cost of sales	(7,985)	(8,712)	(8)	(31,707)	(33,714)	(6)
Gross profit	9,606	8,848	9	34,725	31,517	10
Other gains (net) - miscellaneous	241	669	(64)	1,305	2,238	(42)
Expenses						
- Distribution	(607)	(443)	37	(2,021)	(2,013)	0
- Administrative	(3,590)	(3,117)	15	(12,153)	(11,035)	10
- Finance	(1,226)	(444)	176	(2,527)	(1,980)	28
Share of gain / (loss) of associated companies and joint venture (net) (Note 2)	16,047	(2,489)	N/M	37,173	(2,753)	N/M
	20,471	3,024	577	56,502	15,974	254
Other losses	-	30	N/M	(3,929)	30	N/M
Fair value gain on group's investment properties	6,695	3,127	114	43,122	3,127	1,279
Profit before income tax	27,166	6,181	340	95,695	19,131	400
Income tax expense	(225)	(812)	(72)	(3,537)	(3,134)	13
Net profit	26,941	5,369	402	92,158	15,997	476
Attributable to:						
Equity holders of the Company	26,941	5,164	422	92,158	15,218	506
Non-Controlling Interest	-	205	N/M	-	779	N/M
	26,941	5,369	402	92,158	15,997	476

Note

1) With effect from Q2 FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change on the Group's financial statements are set out in paragrah 5.

2) Share of gain/(loss) of associated companies and joint venture includes a fair value gain on joint venture's investment property of $14,659,000 for Q4 2013 and $34,116,000 for FY2013 (Q42012: $2,435,000 loss; FY2012:$2,435,000 loss)

1(a)(ii) Statement of Comprehensive Income

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2013	2012	Change	2013	2012	Change
	$ '000	$ '000 (Restated)	%	$ '000	$ '000 (Restated)	%
Net profit for the year	26,941	5,369	402	92,158	15,997	476
Currency translation differences	(700)	(138)	407	(3,426)	(1,651)	108
Financial assets, available-for-sale Fair value gain/(loss)	390	28	1,293	271	(31)	N/M
	(310)	(110)	182	(3,155)	(1,682)	88
Total comprehensive income for the year	26,631	5,259	406	89,003	14,315	522
Attributable to:						
Equity holders of the Company	26,631	5,054	427	89,003	13,536	558
Non-Controlling Interest	-	205	N/M	-	779	N/M
	26,631	5,259	406	89,003	14,315	522

1(a)(iii) Notes to Income Statement

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2013	2012	Change	2013	2012	Change
	$ '000	$ '000 (Restated)	%	$ '000	$ '000 (Restated)	%
After (charging) / crediting:						
Interest expense	(1,226)	(444)	176	(2,527)	(1,980)	28
Depreciation and amortisation	(1,831)	(2,242)	(18)	(7,974)	(7,389)	8
Write back/(allowance) for doubtful debts (net)	7	(82)	N/M	(251)	(299)	(16)
Currency exchange income/(loss) (net)	(12)	(48)	(75)	(486)	(399)	22
Adjustments for overprovision of prior year tax	335	63	432	335	63	432
Net loss on sale of property, plant & equipment	(15)	(28)	(46)	(14)	(35)	(60)
Goodwill written off	-	30	N/M	(64)	30	N/M
Impairment of property, plant and equipment	-	-	N/M	(3,865)	-	N/M

The miscellaneous gains (net) comprise the following:

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2013	2012	Change	2013	2012	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Other rental income	120	304	(61)	1,121	1,159	(3)
Interest income	86	61	41	372	353	5
Dividend income	28	53	(47)	188	206	(9)
Currency exchange gain/(loss) (net)	(12)	(48)	(75)	(486)	(399)	22
Others	19	299	(94)	110	919	(88)
Other miscellaneous gains - net	241	669	(64)	1,305	2,238	(42)

N/M : Not meaningful

ACQUISITION OF WESTILTE DORMITORY (PGII) SDN BHD (FORMERLY KNOWN AS SKYHUTCH INTELLIGENT SDN BHD)

On 8 March 2013, the Group acquired 100% equity interest in Westlite Dormitory (PGII) Sdn Bhd which is the owner of 2 plots of land, together with 2 dormitory blocks erected thereon, undergoing refurbishment at Pasir Gudang, Malaysia. Consequently, Westlite Dormitory (PGII) Sdn Bhd became a subsidiary of the Group.

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows :

	$ '000
Cash & cash equivalents	- *
Investment property	1,480
Total assets	1,480
Accruals & other payables	-
Loan from shareholders	(1,480)
Total liabilities	(1,480)
Identifiable net assets	-
	-
Consideration paid for 100% equity interest	- *

Subsequent to the acquisition, the Group repaid the loan to the previous shareholders. The effects of the acquisition of subsidiaries on the cash flows of the Group were as follows :

	$ '000
Cash paid	1,480
Less: cash and cash equivalents in subsidiary acquired	- *
Cash outflow on acquisition	1,480

* Less than $1,000

ACQUISITION OF WESTLITE DORMITORY (SNII) SDN BHD (FORMERLY KNOWN AS TWICE MODERATE SDN BHD)

On 8 March 2013, the Group acquired 100% equity interest in Westlite Dormitory (SNII) Sdn Bhd which is the owner of a piece of land at Senai, Malaysia. Consequently, Westlite Dormitory (SNII) Sdn Bhd became a subsidiary of the Group.

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows :

	$ '000
Cash & cash equivalents	- *
Investment Property	2,199
Total assets	2,199
Trade & other payables	(2)
Loan from shareholders	(2,137)
Total liabilities	(2,139)
Identifiable net assets	60
Consideration paid for 100% equity interest	60

Subsequent to the acquisition, the Group repaid the loan to the previous shareholders. The effects of the acquisition of subsidiaries on the cash flows of the Group were as follows :

	$ '000
Cash paid	2,197
Less: cash and cash equivalents in subsidiary acquired	- *
Cash outflow on acquisition	2,197

* Less than $1,000

1(b)(i) Balance Sheet

	Group			Company	
	31 Dec 13	31 Dec 12	1 Jan 12	31 Dec 13	31 Dec 12
	$ '000	$ '000	$ '000	$ '000	$ '000
		(Restated)	(Restated)		
Current assets					
Cash and cash equivalents	44,374	41,027	38,584	19,480	4,235
Trade and other receivables	11,195	14,065	18,829	12,391	12,085
Inventories	994	1,592	2,497	-	-
Other current assets	11,083	1,854	1,868	2,224	24
	67,646	58,538	61,778	34,095	16,344
Non-current assets					
Trade and other receivables	-	-	9,550	264,932	176,353
Other non-current assets	265	-	-	265	-
Financial assets, available-for-sale	2,521	4,250	4,281	2,521	4,250
Investments in associated companies	1,348	1,363	1,364	1,298	1,298
Investments in joint venture	52,569	15,438	18,232	-	-
Investments in subsidiaries	-	-	-	10,046	9,946
Investment properties	368,712	211,523	151,545	-	-
Property, plant & equipment	6,019	12,264	10,681	119	116
Deferred income tax assets	91	91	-	-	-
Intangible assets	16,673	21,676	64	-	-
	448,198	266,605	195,717	279,181	191,963
Total assets	**515,844**	**325,143**	**257,495**	**313,276**	**208,307**
Current liabilities					
Trade and other payables	(25,850)	(26,190)	(18,392)	(3,343)	(1,904)
Current income tax liabilities	(6,908)	(6,253)	(2,652)	(133)	(294)
Borrowings	(17,357)	(12,710)	(3,697)	-	-
	(50,115)	(45,153)	(24,741)	(3,476)	(2,198)
Non-current liabilities					
Borrowings	(168,833)	(63,290)	(34,022)	(98,661)	-
Other payables	(871)	(929)	(1,940)	-	-
Deferred income tax liabilities	(3,104)	(4,367)	(807)	(25)	(29)
	(172,808)	(68,586)	(36,769)	(98,686)	(29)
Total liabilities	**(222,923)**	**(113,739)**	**(61,510)**	**(102,162)**	**(2,227)**
Net assets	**292,921**	**211,404**	**195,985**	**211,114**	**206,080**
Equity					
Share capital	89,431	89,431	89,431	200,742	200,742
Other reserves	12,334	15,489	17,171	509	238
Retained profits	191,156	102,358	89,408	9,863	5,100
	292,921	207,278	196,010	211,114	206,080
Non-controlling Interest	-	4,126	(25)	-	-
Total equity	**292,921**	**211,404**	**195,985**	**211,114**	**206,080**
Total borrowings	186,190	76,000			
Gearing ratio*	39%	26%			

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

With effect from Q2 FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change on the Group's financial statements are set out in paragrah 5.

1(b)(ii) <u>Group's borrowings and debt securities</u>

(a) Amount repayable in one year or less, or on demand

	As at 31 Dec13 $'000	As at 31 Dec 12 $'000
Secured	17,357	12,707
Unsecured	-	3
Sub-Total	**17,357**	**12,710**

(b) Amount repayable after one year

	As at 31 Dec13 $'000	As at 31 Dec 12 $'000
Secured	70,172	63,290
Unsecured	98,661	-
Sub-Total	**168,833**	**63,290**
Total Debt	**186,190**	**76,000**

(c) Details of any collateral

The Group's secured borrowings includes bank borrowings and lease liabilities. The borrowings are secured by fixed charges over the investment properties and certain property, plant and equipment of the subsidiaries.

1 (c) Consolidated Cash Flow Statement

	Fourth Quarter ended 31 December		Twelve months ended 31 December	
	2013	2012	2013	2012
	$ '000	$ '000	$ '000	$ '000
		(Restated)		(Restated)
Cash flows from operating activities				
Net profit	26,941	5,369	92,158	15,997
Adjustment for:				
Tax expense	225	812	3,537	3,134
Depreciation and amortisation	1,831	2,242	7,974	7,389
(Write back)/allowance for impairment of trade and other receivables	(7)	82	251	299
Net loss from sale of property, plant and equipment	15	28	14	35
Provision for diminution in value of associate investment	2	-	2	-
Interest income	(86)	(61)	(372)	(353)
Dividend income	(28)	(53)	(188)	(206)
Interest expense	1,226	444	2,527	1,980
Share of (profits) / loss of associated companies and joint venture (net)	(16,047)	2,489	(37,173)	2,753
Goodwill written off	-	(30)	64	(30)
Impairment of property, plant and equipment	-	-	3,865	-
Fair value gain on investment properties	(6,695)	(3,127)	(43,122)	(3,127)
Currency translation differences	(25)	(185)	(275)	(21)
Operating cash flow before working capital changes	7,352	8,010	29,262	27,850
Changes in operating assets and liabilities				
Inventories	164	399	598	939
Trade and other receivables	1,318	2,654	2,617	6,628
Other current assets	262	871	(506)	296
Trade and other payables	3,327	(1,056)	(261)	(440)
Cash generated from operations	12,423	10,878	31,710	35,273
Income tax paid - net	(605)	(268)	(3,903)	(3,351)
Net cash provided by operating activities	11,818	10,610	27,807	31,922
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	22	-	77	67
Proceeds from redemption of financial assets, available-for-sale	-	-	2,000	-
Additions of investment property	(95,953)	(3,629)	(112,253)	(17,251)
Purchase of property, plant and equipment	(566)	(372)	(1,764)	(3,342)
Acquisition of interest in subsidiaries, net of cash acquired	-	4,210	(3,677)	(43,408)
Loan repaid from joint venture	-	9,550	-	9,550
Interest received	86	61	372	353
Dividend received	28	53	188	206
Short term deposits released as security from bank	-	-	-	1,568
Short term deposits released/(charged) as GST Escrow settled	-	(3,744)	3,744	(3,744)
Short-term bank deposits charged	-	(820)	-	(820)
Deposits paid for acquisition of investment property	(2,607)	-	(9,137)	-
Net cash (used in)/provided by investing activities	(98,990)	5,309	(120,450)	(56,821)
Cash flows from financing activities				
Proceeds from borrowings	108,273	4,693	123,688	44,389
Repayment of borrowings	(4,546)	(2,363)	(13,079)	(9,951)
Interest paid	(1,226)	(444)	(2,527)	(1,980)
Acquisition of additional interest in a subsidiary	(294)	-	(4,469)	(3,328)
Dividends paid to shareholders	-	-	(3,018)	(2,268)
Dividends paid in relation to pre-completion dividends	-	-	-	(1,095)
Dividends paid to non-controlling interest of a subsidiary	-	(1,050)	-	(1,050)
Net cash provided by financing activities	102,207	836	100,595	24,717
Net increase/(decrease) in cash and cash equivalents held	15,035	16,755	7,952	(182)
Cash and cash equivalents at beginning of the year	28,767	19,739	36,460	36,906
Effects of exchange rate changes on cash and cash equivalents	(248)	(34)	(858)	(264)
Cash and cash equivalents at end of the year	43,554	36,460	43,554	36,460
* The consolidated cash and cash equivalents comprise the following:				
Cash and bank balances	44,374	41,027	44,374	41,027
Bank overdraft	-	(3)	-	(3)
Short-term bank deposits charged as security to bank	(820)	(820)	(820)	(820)
Restricted short-term bank deposits	-	(3,744)	-	(3,744)
	43,554	36,460	43,554	36,460

1(d)(i) Statement of Changes in Equity

As at 31 Dec 2013 vs 31 Dec 2012

GROUP 2013	Share Capital $'000	Other Reserves $'000	Retained Profits $'000	Total Equity $'000	Non-Controlling Interest $'000	Total Equity $'000
	← Attributable to equity holders of the Company →					
Balance as at 1 Jan 2013 as previously reported	89,431	15,482	1,308	106,221	3,702	109,923
Effects of the change in accounting policy	-	7	101,050	101,057	424	101,481
As restated 1 Jan 2013	89,431	15,489	102,358	207,278	4,126	211,404
Dividends relating to FY2012 paid	-	-	(3,018)	(3,018)	-	(3,018)
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest	-	-	(342)	(342)	(4,126)	(4,468)
Total comprehensive income / (expense) for the year	-	(3,155)	92,158	89,003	-	89,003
Balance as at 31 Dec 2013	**89,431**	**12,334**	**191,156**	**292,921**	**-**	**292,921**

GROUP 2012	Share Capital $'000	Other Reserves $'000	Retained Profits $'000	Total Equity $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 1 Jan 2012 as previously reported	89,431	17,171	(5,565)	101,037	(25)	101,012
Effects of the change in accounting policy	-	-	94,973	94,973	-	94,973
As restated 1 Jan 2012	89,431	17,171	89,408	196,010	(25)	195,985
Dividends relating to interim paid	-	-	(2,268)	(2,268)	-	(2,268)
Dividends paid to non controlling interest of a subsidiary	-	-	-		(1,050)	(1,050)
Non-controlling interest's share in a subsidiary	-	-	-	-	4,397	4,397
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest	-	-	-	-	25	25
Total comprehensive income / (expense) for the year	-	(1,682)	15,218	13,536	779	14,315
Balance as at 31 Dec 2012	**89,431**	**15,489**	**102,358**	**207,278**	**4,126**	**211,404**

COMPANY 2013	Share Capital $'000	Other Reserves $'000	Retained Profits $'000	Total $'000
Balance as at 1 Jan 2013	200,742	238	5,100	206,080
Dividends relating to FY2012 paid	-	-	(3,018)	(3,018)
Total comprehensive income for the year	-	271	7,781	8,052
Balance as at 31 Dec 2013	**200,742**	**509**	**9,863**	**211,114**

COMPANY 2012	Share Capital $'000	Other Reserves $'000	Retained Profits / Accumulated losses $'000	Total $'000
Balance as at 1 Jan 2012	200,742	269	(1,553)	199,458
Dividends relating to interim paid	-	-	(2,268)	(2,268)
Total comprehensive (expense) / income for the year	-	(31)	8,921	8,890
Balance as at 31 Dec 2012	**200,742**	**238**	**5,100**	**206,080**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's issued share capital.

The Company does not have any outstanding convertibles and treasury shares as at 31 December 2013 and 31 December 2012.

The Company has on 28 Oct 2013 issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of 1 Warrants for every 10 existing ordinary shares in the capital of the Company held by entitled shareholders. Each Warrant shall carry the right to subscribe for 1 new Share (the "New Share") at an exercise price of S$0.50 per new share. The warrants are for a period of four years and expires on 27 October 2017.

None of the warrants have been exercised to subscribe for new shares as at 31 December 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 Dec 13	31 Dec 12
Total number of issued shares excluding treasury shares	756,060,841	756,060,841

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during the current financial year reported on.

2 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 auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information 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 Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from this financial year, and the change in accounting policy for investment properties.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the following:

(i) FRS 113 Fair Value Measurement

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 into the financial statements.

(ii) The financial effects of the change in the accounting policy for investment properties are summarised in note 5 below.

5 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.

Accounting for Investment Properties

With effect from Q2 FY2013, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost to fair value model, with the changes in fair values recognized in the statement of comprehensive income. This change aligns the Group's accounting policy with industry practice and provides more relevant financial information to the users of the financial statement.

The change in accounting policy was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change on the Group's financial statements are as follows:

Balance Sheet

	At 31 Dec 2013 $ '000 Increase / (Decrease)	At 31 December 2012 $ '000 Increase / (Decrease)	At 1 January 2012 $ '000 Increase / (Decrease)
Investment properties	140,778	90,989	81,355
Investment in a joint venture (Note 1)	45,801	11,183	13,618
Property, plant and equipment	(719)	(719)	-
Deferred income tax liabilities	(28)	(28)	-
Retained profits	185,457	101,050	94,973
Other reserves	7	7	-
Non-controlling interest	424	424	-

Note 1: Mandai dormitory is valued on 31 December 2013 based on project completed basis whereas it was valued on 31 December 2012 as development site for workers' dormitory by an independent valuer.

Income Statement

With the change in accounting policy for investment properties, no depreciation was charged for the current year. Should there be no change in accounting policy, the depreciation on investment properties amount to $1.75 million for Q4 FY2013 and $6.67million for FY2013 (Q4 FY2012 : $1.74 million ; FY2012 : $5.78million) and depreciation on joint venture's investment propertis amount to $308,000 for Q4 FY2013 and $502,000 for FY2013 (Q4 FY2012 : Nil ; FY2012 : Nil). The fair value gain on investment properties of $ 43.1 million and fair value gain on joint venture's investment property of $34.1 million recognized in the current year comprises the change in fair value since the end of the last financial year. The change in accounting policy has the effect of increasing the basic EPS by 3.12 cents for Q4 FY2013 and 11.16 cents for FY2013 (Q4 FY2012 : 0.30 cent ; FY2012 : 0.80 cent)

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

		Group			
		Fourth Quarter ended 31 December		Twelve months ended 31 December	
		2013 ＃	2012 (Restated)	2013 ＃	2012 (Restated)
(a)	Based on weighted average number of ordinary shares on issue	3.56 cent	0.68 cent	12.19 cent	2.01 cent
(b)	On a fully diluted basis	3.54 cent	0.68 cent	12.17 cent	2.01 cent

Note:

The earnings per share is calculated based on weighted average number of ordinary shares in issue of 756,060,841 (2012 : 756,060,841) ordinary shares.

The weighted average number of shares used for the calculation of EPS based on fully diluted basis is 760,538,650 for Q4 2013 and 757,180,293 for FY2013 (Q4 2012 & FY2012: 756,060,841).

Included the effects of the fair value gain on Group's investment properties of S$ 43.1million and joint venture's investment properties of $ 34.1million

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :
(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Dec 13	31 Dec 12 (Restated)	31 Dec 13	31 Dec 12
Net asset value per ordinary share	38.74 cents	27.42 cents	27.92 cents	27.26 cents

Note

The Group and Company net asset per ordinary share is calculated based on existing issued share capital of 756,060,841 (2012: 756,060,841) ordinary shares.

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.

Fourth quarter review – Q4 FY2013 vs Q4 FY2012

Group revenue increased by S$31,000 to S$17.6 million in 4Q 2013 compared to 4Q 2012. Revenue for the accommodation business in 4Q 2013 grew by S$2.1 million or 20% year-on-year to S$12.7 million on the back of positive market rate revisions as well as higher occupancy in Singapore and Malaysia. The optical disc business, on the other hand, suffered a revenue reduction of 30% or S$2.1 million in 4Q 2013.

Gross profit in 4Q 2013 was S$0.8 million higher than 4Q 2012 with gross profit margin increasing from 50% to 55% due to the higher revenue contribution from the accommodation business. The gross profit margin for the accommodation business is higher compared to the optical disc business.

The increase in administrative expenses was in line with the Group's expansion of the accommodation business.

The increase in finance cost of S$0.8 million mainly arose from the interest accrued for the medium term note ("MTN") that was issued in October 2013.

Share of the results of associates and jointly controlled entities increased by S$18.5 million to S$16 million in 4Q 2013 as compared to a share of loss of S$2.5 million in 4Q 2012. This increase was mainly contributed by the workers dormitory in Mandai ("Mandai Dormitory") which has a fair value gain of S$14.7 million on its investment property in 4Q 2013 as compared to a fair value loss of S$2.4 million in 4Q 2012. The Mandai Dormitory, which commenced operations in April 2013 and enjoys high occupancy rates, contributed S$1.3 million in 4Q 2013.

The fair value gain on the Group's investment properties of S$6.7 million, which comprise the changes in fair value since 30 June 2013, were recognised in the current reporting quarter. Independent valuations were carried out for the financial year-end on all the investment properties held as at 31 December 2013.

Accordingly, the Group achieved a net profit of S$26.9 million for 4Q 2013. Excluding the fair value gains arose from the Group's and the joint venture's investment properties, the net profit for 4Q 2013 was S$5.6 million, an increase of 19% compared to 4Q 2012, of which the accommodation business accounted for S$5.2 million and optical business for S$0.4 million.

Twelve months 2013 review – 12M FY2013 vs 12M FY2012

For the full year 2013, revenue increased from S$65.2 million in FY2012 to S$66.4 million. The Group's accommodation business achieved a 26% growth in FY2013 or a S$9.9 million increase in revenue compared to last year. This was largely contributed by the continued expansion of the Group's workers accommodation assets in Malaysia as well as the growth in rental rates in Singapore. The optical disc business, however, registered a decrease of S$8.7 million or a 31% decline in revenue as demand for the Group's physical optical disc media from its customers continued to weaken.

Gross profit for FY 2013 improved by S$3.2 million or 10% as compared to FY 2012 as a result of the increased revenue contribution from the accommodation business.

Miscellaneous gains fell by S$0.9 million mainly due to a one-off write back of a provision for certain contractual obligations in FY 2012.

Administrative expenses increased due to the expansion of the accommodation business.

Finance expenses increased by S$0.5 million primarily due to the accrued interest from the S$100 million MTN issue, which was offset by the lower amount of interest costs from bank borrowings.

Share of the results of associates and jointly controlled entities turned around from a S$2.8 million loss to a S$37.2 million profit due to the share of fair value gains of S$34.1 million on its Mandai investment property and the share of its net profits of S$3.1 million derived from the operations of the Mandai workers dormitory started in April 2013.

Other losses of S$3.9 million relate to the one-off impairment charge on its optical disc plant and equipment.

A fair value gain on Group's investment properties of S$43.1 million, comprised the change in fair value since the end of the last financial year, was recognised in FY 2013 and comprised the change in fair value since the end of the last financial year.

Overall, the Group posted a net profit of S$92.2 million for FY 2013. Excluding the total fair value gains derived from the Group's and the joint venture's investment properties of S$77.2 million and the one-off impairment charge of S$3.9 million, the Group's net profit in FY 2013 was S$18.8 million. This was an improvement of 23% or S$3.5 million over last year. Out of the total of S$18.8 million, the Group's accommodation business contributed S$19.6 million, a growth of 43% or an increase of $5.9 million over FY 2012. On the other hand, the Group's optical disc business suffered a loss of S$0.8 million in FY 2013 as compared to a net profit of S$1.5 million in FY2012. Despite the loss in the optical disc business, it had contributed about S$1.2 million towards the Group's operating cash flow in FY 2013.

Review of Group balance sheet

Trade and other receivables reduced by S$2.9 million mainly due to lower sales from the optical disc business.

Other current assets increased by S$9.2 million mainly due to a deposit paid for the acquisition of the RMIT Village student accommodation in Australia and refundable deposits placed for project tenders. The other non-current assets relate to deposits paid for lease rental.

Investment properties are stated at valuation as determined by independent professional valuers. The increase of S$157.2 million from 31 December 2012 was mainly due to:
a) the acquisition of a piece land for S$80.8 million that the Group successfully bid to build a 4,100 bed workers dormitory in Woodlands Singapore

b) S$29.8 million primarily for the upgrading works at Toh Guan dormitory and the Malaysian dormitories

c) S$43.1 million fair value gain recognised for investment properties.

The increase of S$37.1 million in investment in joint venture was due to the fair value gain in the joint venture investment property and share of profits of the joint venture.

The decrease in property, plant and equipment arose mainly from the impairment of the plant and equipment of the optical disc business segment and the depreciation charge incurred during the year.

Intangible assets decreased by S$5.0 million mainly due to the amortization of a favourable lease which arose from the acquisition of the Tuas dormitory.

Borrowings increased by S$110.2 million largely due to the S$100 million MTN issued and bank loans obtained to finance the Group's dormitory expansion in FY 2013. Our gearing ratio stood at a comfortable 39%.

Review of Company Balance Sheet

Cash and cash equivalents increased by S$15.2 million mainly due to the S$100 million proceeds from the MTN issue. The proceeds was partially used to finance the subsidiaries in acquiring land for the Woodlands dormitory and paying deposits for the acquisition of the RMIT Village student accommodation in Australia.

Correspondingly, these acquisitions and deposits paid increased the non-current trade and other receivables.

The other current assets increased by S$2.2 million due to the deposits paid for tendering of new projects.

Financial assets, available-for-sale reduced by S$1.7 million mainly due to the redemption of fixed income securities by the issuer.

Trade and other payables increased by S$1.4 million mainly due to the interest accrued for the MTN that is payable on a half yearly basis.

Company borrowings amounted to S$98.7 million, which recorded the MTN notes payable net of the remaining unamortised transaction costs.

Review of Cash Flow Statement

The Group generated positive net cash of S$11.8 million from its operating activities in 4Q 2013.

Net cash used in investing activities of S$99 million in 4Q 2013 was mainly attributable to the acquisition of the Woodlands dormitory land site as well as further development of dormitory projects in Malaysia and Toh Guan.

Net cash provided by the financing activities was mainly due to the proceeds from the S$100 MTN issue, offset with the repayment of borrowings.

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

Not applicable

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.

Accommodation Business

The outlook for the Group's workers and students accomodation business for the next 12 months is promising. Backed by the healthy demand for workers accommodation, the Group's existing bed capacity in Singapore is expected to continue operating at almost full occupancy.

The asset enhancement works at Toh Guan dormitory to increase its bed capacity to about 8,600 beds, received its temporary occupancy permit ("TOP") in January 2014. The new 18-storey dormitory block with approximately 3,800 beds is expected to benefit from the strong demand for quality workers accommodation and contribute positively to the Group's profitability.

The 45% Joint Venture dormitory in Mandai, with its second phase completed (with an additional 1,540 beds) in 4Q last year, is expected to further contribute to the Group's bottomline when the additional bed spaces are filled up.

The factory units that were developed and sold by the 45% Joint Venture with Lian Beng Group, received TOP in January 2014. The profits on the sale of the factory units, in which the Group has a 45% share, will be recognised in 1Q 2014.

Tuas dormitory, which is under a 3+3+3 year lease from Building and Construction Authority ("BCA"), is due for renewal for the 3rd term of another 3 years in April 2014. The Group has submitted its renewal application and is currently being processed by BCA.

The dormitories in Malaysia are operating at close to 80% occupancy as at the year end, excluding the dormitories in Senai and Pasir Gudang II which recently commenced operations. The Group's property in Pasir Gudang II consisting of about 1,000 beds has just completed its refurbishments and commenced operations in February 2014. Together with the additional new dormitory in Senai, Johor that commenced operations in 4Q 2013, the Group currently has 5 operating dormitory sites with approximately 13,500 beds. With the recognition and the shift towards having workers managed and housed in better accommodation by employers, the Group expects the occupancy rates to continue to improve and contribute positively to the Group's profitabilty.

On February 2014, the Group completed its acquisition of RMIT Village, a student accommodation facility located in Melbourne Australia with 456 beds. The facility is expected to operate at close to full occupancy and will immediately contribute to the Group's profitability in FY 2014.

The land in Woodlands which the Group had won through a tender to develop a 4,100-bed dormitory is currently under planning. It is expected to commence construction in 2Q 2014, with completion expected in 3Q 2015.

The Group has commenced construction works on its land in Tampoi, Johor to develop a workers dormitory of approximately 5,300 beds. This development is expected to complete in 1Q 2015.

There has been no significant progress with regards to the rezoning of the Group's plot of land at Port Hedland in Australia. The Group will provide updates on significant developments that may arise.

The Group will continue to actively seek and explore acquisition opportunities in Singapore and overseas.

Optical Disc Business

The operating environment for the Group's Optical Disc business remains difficult as the market demand for physical optical storage media remains weak. Faced with falling demand, the Group will carry out the necessary re-organisation and restructuring to ensure that the business continues to generate positive cashflows.

11 **Dividend**

(a) ***Current Financial Period Reported On***

Any dividend declared for the current financial period reported on ?

Name of Dividend:	Final dividend
Dividend Type:	Cash
Dividend Amount per Share (in cents)	0.6 cent per ordinary shares
Tax Rate:	1-tier tax exempt

(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:	Interim dividend	Proposed 2nd and final dividend
Dividend Type:	Cash	Cash
Dividend Amount per Share (in cents)	0.3 cent per ordinary share	0.4 cent per ordinary share
Tax Rate:	1-tier Tax-exempt	1-tier Tax-exempt

(c) **Date Payable**

To be advised

(d) **Books Closure Date**

To be advised

12 **If no dividend has been declared / recommended, a statement to that effect.**

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 **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 year.**

Primary reporting format - geographical segments by location of assets

	Optical		Dormitory	Intersegment	
Year ended 31 December 2013	Asia $'000	Australia $'000	$'000	eliminations $'000	Group $'000
External sales	9,779	9,378	47,275	-	66,432
Inter-segment sales	1,134	-	-	(1,134)	-
	10,913	9,378	47,275	(1,134)	66,432
Segment results / operating profit	(1,005)	(866)	23,167	-	21,296
Finance expense	(1)	-	(2,526)	-	(2,527)
Interest income					372
Dividend income					188
Fair value gain on investment properties					43,122
Impairment of property, plant and equipment					(3,865)
Goodwill written off					(64)
Share of profit of associated companies / joint venture					37,173
Profit before tax					95,695
Income tax expense					(3,537)
Net profit					92,158
Segment assets	14,924	11,161	404,573	-	430,657
Short-term bank deposits					28,658
Financial assets, available-for-sale					2,521
Deferred income tax assets					91
Investments in associated companies					1,348
Investments in joint venture					52,569
Consolidated total assets					515,844
Segment liabilities	5,643	3,082	17,996	-	26,721
Borrowings	-	-	186,190	-	186,190
Current income tax liabilities					6,908
Deferred income tax liabilities					3,104
Consolidated total liabilities					222,923
Capital expenditure	24	6	113,986	-	114,016
Depreciation	1,356	632	1,046	-	3,034
Amortisation	-	-	4,940		4,940

Year ended 31 December 2012	Optical Asia $'000	Optical Australia $'000	Dormitory $'000	Intersegment eliminations $'000	Group $'000
External sales	12,683	15,167	37,381	-	65,231
Inter-segment sales	1,391	-	2	(1,393)	-
	14,074	15,167	37,383	(1,393)	65,231
Segment results / operating profit	(224)	1,051	19,321	-	20,148
Finance expense	(17)	(5)	(1,958)	-	(1,980)
Interest income					353
Dividend income					206
Fair value gain on investment properties					3,127
Goodwill written off					30
Share of loss of associated companies / joint venture					(2,753)
Profit before tax					19,131
Income tax expense					(3,134)
Net profit					15,997
Segment assets	19,041	11,935	246,722	-	277,698
Short-term bank deposits					26,303
Financial assets, available-for-sale					4,250
Deferred income tax assets					91
Investments in associated companies					1,363
Investments in joint venture					15,438
Consolidated total assets					325,143
Segment liabilities	5,908	3,957	17,254	-	27,119
Borrowings	22	-	75,978	-	76,000
Current income tax liabilities					6,253
Deferred income tax liabilities					4,367
Consolidated total liabilities					113,739
Capital expenditure	1,521	371	18,702	-	20,594
Depreciation	1,667	950	656	-	3,273
Amortisation	-	-	4,116		4,116

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As explained in note 8

15 Sales and Profit Breakdown

		2013 $ '000 **Group**	2012 $ '000 **Group** (restated)	+ /(-) % **Group**
15 (a)	Sales reported for first half year	31,983	30,005	7
15 (b)	Profit after tax reported for first half year	59,824	6,209	864
15 (c)	Sales reported for second half year	34,449	35,226	(2)
15 (d)	Profit after tax reported for second half year	32,334	9,788	230

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

	2013 $'000	2012 $'000
Ordinary shares	4,536	5,292
Preference	-	-
Total	4,536	5,292

17 Interested Person Transactions ("IPTs")

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

18 **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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Lee Geok Ing	53	Sister of Lee Kerk Chong, Executive Director of the Company.	Human Resources / Admin Manager. Responsible for personnel issues and admin aspects since 1995.	Nil
Tony Bin Hee Din	55	Brother-in-law of Loh Kim Kang, David, a Substantial Shareholder of the Company.	Appointed as Executive Director on 1 August 2011.	Nil

BY ORDER OF THE BOARD
Kong Chee Min
Chief Executive Officer and Director
28 February 2014