The Singapore Exchange Securities Trading Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

FINANCIAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

**For identification purpose only*

Unaudited Condensed Interim Financial Statements and Dividend Announcement
For the six months and for the year ended 31 December 2023

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 2023, together with the comparative figures for the year ended 31 December 2022 as follows:

1. Condensed Interim Consolidated Income Statement

	Group Second Half Year ended 31 December			Group Twelve Months ended 31 December		
	2023 $'000	2022 $'000	Change %	2023 $'000	2022 $'000	Change %
Revenue	109,322	89,922	22	207,245	180,450	15
Cost of sales	(29,682)	(27,282)	9	(57,216)	(56,895)	1
Gross profit	79,640	62,640	27	150,029	123,555	21
Other income	873	1,372	(36)	1,939	2,652	(27)
Other losses - net						
- Gain/(loss) on derecognition of financial assets	-	30	(100)	-	(89)	(100)
- Write back/(allowance) for impairment of trade and other receivables	110	(65)	N/M	48	316	(85)
- Others	(1,434)	(186)	671	(1,684)	(1,244)	35
Expenses						
- Distribution expenses	(1,071)	(803)	33	(1,825)	(1,594)	14
- Administrative expenses	(15,541)	(14,821)	5	(28,191)	(27,891)	1
- Finance expenses	(18,758)	(16,555)	13	(37,052)	(28,341)	31
Share of profit of associated companies and joint venture	23,157	5,300	337	27,356	8,919	207
	66,976	36,912	81	110,620	76,283	45
Net fair value gain on investment properties	79,377	9,441	741	84,794	18,982	347
Profit before tax	146,353	46,353	216	195,414	95,265	105
Tax expense	(12,833)	(5,146)	149	(19,501)	(18,985)	3
Total profit	133,520	41,207	224	175,913	76,280	131
Profit attributable to:						
Equity holders of the Company	114,814	38,527	198	153,115	71,425	114
Non-controlling interests	18,706	2,680	598	22,798	4,855	370
Total profit	133,520	41,207	224	175,913	76,280	131
Note 1:						
Total profit - IFRS measure	133,520	41,207	224	175,913	76,280	131
Adjusted for non-IFRS measure:						
- Net fair value gain on investment properties including those of associated companies and joint venture	(98,044)	(11,852)	727	(104,804)	(21,238)	393
- Deferred tax arising from fair value changes	3,850	1,741	121	4,237	8,446	(50)
- Currency exchange loss from return of capital and loss on derecognition of a joint venture	954	-	N/M	954	-	N/M
Profit from core business operations - non-IFRS measure	40,280	31,096	30	76,300	63,488	20
Note 2:						
Profit attributable to equity holders of the Company - IFRS measure	114,814	38,527	198	153,115	71,425	114
Adjusted for non-IFRS measure:						
- Net fair value gain on investment properties including those of associated companies and joint venture attributable to equity holders	(83,433)	(12,136)	587	(89,078)	(22,781)	291
- Deferred tax arising from fair value changes	3,850	1,741	121	4,237	8,446	(50)
- Currency exchange loss from return of capital and loss on derecognition of a joint venture	954	-	N/M	954	-	N/M
Profit from core business operations attributable to equity holders - non-IFRS measure	36,185	28,132	29	69,228	57,090	21

2. Condensed Interim Consolidated Statement of Comprehensive Income

	Group Second Half Year ended 31 December			Group Twelve Months ended 31 December		
	2023	2022	Change	2023	2022	Change
	$'000	$'000	%	$'000	$'000	%
Total profit	133,520	41,207	224	175,913	76,280	131
Other comprehensive loss:						
Items that may be reclassified subsequently to profit or loss:						
Financial assets at fair value through other comprehensive income ("FVOCI") - debt instruments						
- Fair value (loss)/gain	(131)	(386)	(66)	216	(487)	N/M
- Reclassification	-	-	N/M	-	6	(100)
Cash flow hedges						
- Fair value (loss)/gain	(1,739)	3,881	N/M	(1,363)	5,433	N/M
- Reclassification	(984)	(526)	87	(1,971)	165	N/M
Share of other comprehensive (loss)/income of associated companies and joint venture	(30)	(1,564)	(98)	62	(721)	N/M
Currency translation (losses)/gains arising from consolidation	(5,755)	(18,019)	(68)	1,429	(40,105)	N/M
Other comprehensive loss, net of tax	(8,639)	(16,614)	(48)	(1,627)	(35,709)	(95)
Total comprehensive income	124,881	24,593	408	174,286	40,571	330
Total comprehensive income attributable to:						
Equity holders of the Company	106,170	21,896	385	151,451	35,638	325
Non-controlling interests	18,711	2,697	594	22,835	4,933	363
Total comprehensive income	124,881	24,593	408	174,286	40,571	330
Earnings per share for the profit attributable to equity holders of the Company						
Basic earnings per share (cents)				18.21	8.50	114
Diluted earnings per share (cents)				18.21	8.50	114

N/M : Not meaningful

3. Condensed Balance Sheets

	Group		Company	
	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000
ASSETS				
Current assets				
Cash and bank balances	74,717	68,274	17,352	19,913
Trade and other receivables	11,836	12,886	25,990	19,708
Inventories	190	334	-	-
Other assets	7,638	3,797	567	241
Financial assets, at fair value through other comprehensive income	3,432	6,466	3,432	6,466
Derivative financial instruments	771	-	-	-
	98,584	91,757	47,341	46,328
Assets held for sale	65,194	-	-	-
	163,778	91,757	47,341	46,328
Non-current assets				
Trade and other receivables	-	-	399,580	391,198
Other assets	2,353	4,243	138	137
Financial assets, at fair value through profit or loss	42	51	-	-
Derivative financial instruments	787	3,811	35	-
Investments in associated companies	141,915	120,280	1,298	1,298
Investment in a joint venture	-	6,040	-	-
Investments in subsidiaries	-	-	16,716	16,846
Investment properties	1,408,604	1,314,097	-	-
Property, plant & equipment	7,605	7,476	1,641	1,660
Deferred tax assets	8	-	-	-
	1,561,314	1,455,998	419,408	411,139
Total assets	**1,725,092**	**1,547,755**	**466,749**	**457,467**
LIABILITIES				
Current liabilities				
Trade and other payables	79,768	55,105	32,275	21,153
Other liabilities	966	430	-	-
Current tax liabilities	18,443	12,309	1,716	1,372
Borrowings	58,908	80,016	1,583	2,137
Lease liabilities	15,809	17,739	516	493
	173,894	165,599	36,090	25,155
Non-current liabilities				
Trade and other payables	389	-	-	-
Other liabilities	81	684	-	-
Deferred tax liabilities	22,858	20,684	35	35
Borrowings	598,504	583,087	125,128	131,989
Lease liabilities	57,733	69,213	450	965
	679,565	673,668	125,613	132,989
Total liabilities	**853,459**	**839,267**	**161,703**	**158,144**
NET ASSETS	**871,633**	**708,488**	**305,046**	**299,323**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	142,242	142,242	253,553	253,553
Other reserves	(62,500)	(60,836)	(585)	(534)
Retained profits	746,028	605,524	52,078	46,304
	825,770	686,930	305,046	299,323
Non-controlling interests	45,863	21,558	-	-
Total equity	**871,633**	**708,488**	**305,046**	**299,323**
Gearing ratio*	43%	48%		
Net gearing ratio**	38%	43%		

* 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 2023 $'000	2022 $'000
Total profit	175,913	76,280
Adjustments for:		
- Tax expense	19,501	18,985
- Depreciation	3,549	3,663
- Write back for impairment of trade and other receivables	(48)	(316)
- Net loss/(gain) on disposal of plant and equipment	19	(10)
- Net fair value gain on investment properties	(84,794)	(18,982)
- Interest income	(1,491)	(808)
- Finance expenses	37,052	28,341
- Share of profit of associated companies and joint venture	(27,356)	(8,919)
- Loss on derecognition of a joint venture	92	-
- Loss on disposal of financial assets, at FVOCI	-	6
- Fair value loss on financial assets at fair value through profit or loss	9	6
- Currency exchange loss from return of capital	862	-
- Unrealised currency translation differences	311	(51)
Operating cash flow before working capital changes	123,619	98,195
Change in working capital		
- Inventories	144	(170)
- Trade and other receivables	(1,617)	4,854
- Other assets	(2,587)	(2,694)
- Trade and other payables and other liabilities	13,936	11,183
Cash generated from operations	133,495	111,368
Tax paid	(10,676)	(7,186)
Net cash provided by operating activities	122,819	104,182
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	27	72
Additions to investment properties	(57,876)	(4,548)
Additions to property, plant and equipment	(3,529)	(1,319)
Interest received	1,555	779
Dividends received from joint venture and associated companies	5,717	3,803
Return of capital from a joint venture	4,203	-
Purchase of financial assets, at FVOCI	-	(1,000)
Acquisition of a subsidiary, net cash acquired	(306)	-
Proceeds from disposal of financial assets, at FVOCI	3,250	500
Deposits received for asset held for sale	1,675	-
Net cash used in investing activities	(45,284)	(1,713)

4. Condensed Interim Consolidated Statement of Cash Flows (continued)

	Twelve Months ended 31 December	
	2023	2022
	$'000	$'000
Cash flows from financing activities		
Proceeds from borrowings	54,288	63,698
Proceeds from non-controlling interests for issuance of ordinary shares	1,470	-
Loan from non-controlling interests	1,179	92
Repayment of loan from associated company	(1,500)	(3,600)
Repayment of borrowings	(56,291)	(103,953)
Interest paid on borrowings	(34,000)	(24,796)
Interest paid on lease liabilities	(2,935)	(3,228)
Repayment of principal portion of lease liabilities	(19,357)	(17,950)
Restricted cash charged as security to bank	(1,090)	(534)
Dividends paid to equity holders of the Company	(12,611)	(8,422)
Dividends paid to non-controlling interests	-	(980)
Premium paid for purchase of interest rate cap	(1,319)	(523)
Net cash used in financing activities	(72,166)	(100,196)
Net increase in cash and cash equivalents held	5,369	2,273
Cash and cash equivalents		
Beginning of the financial year	66,556	66,309
Effects of currency translation on cash and cash equivalents	(16)	(2,026)
End of the financial year	71,909	66,556
The consolidated cash and cash equivalents comprise the following:-		
Cash and bank balances	74,717	68,274
Restricted cash	(2,808)	(1,718)
	71,909	66,556

5. Condensed Interim Consolidated Statement of Changes in Equity

GROUP	← Attributable to equity holders of the Company → Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
2023						
Balance at 1 January 2023	142,242	(60,836)	605,524	686,930	21,558	708,488
Profit for the year	-	-	153,115	153,115	22,798	175,913
Other comprehensive (loss)/income for the year	-	(1,664)	-	(1,664)	37	(1,627)
Total comprehensive (loss)/income for the year	-	(1,664)	153,115	151,451	22,835	174,286
Dividends relating to 2023 paid	-	-	(8,407)	(8,407)	-	(8,407)
Dividends relating to 2022 paid	-	-	(4,204)	(4,204)	-	(4,204)
Total transactions with owners, recognised directly in equity	-	-	(12,611)	(12,611)	-	(12,611)
Issuance of shares from a subsidiary	-	-	-	-	1,470	1,470
Balance at 31 December 2023	**142,242**	**(62,500)**	**746,028**	**825,770**	**45,863**	**871,633**
2022						
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)
Total comprehensive (loss)/income for the year	-	(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)
Total transactions with owners, recognised directly in equity	-	-	(8,422)	(8,422)	(980)	(9,402)
Balance at 31 December 2022	**142,242**	**(60,836)**	**605,524**	**686,930**	**21,558**	**708,488**

5. Condensed Interim Consolidated Statement of Changes in Equity (continued)

COMPANY	Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000
2023				
Balance at 1 January 2023	253,553	(534)	46,304	299,323
Profit for the year	-	-	18,385	18,385
Other comprehensive loss for the year	-	(51)	-	(51)
Total comprehensive (loss)/income for the year	-	(51)	18,385	18,334
Dividends relating to 2023 paid	-	-	(8,407)	(8,407)
Dividends relating to 2022 paid	-	-	(4,204)	(4,204)
Total transactions with owners, recognised directly in equity	-	-	(12,611)	(12,611)
Balance at 31 December 2023	**253,553**	**(585)**	**52,078**	**305,046**
2022				
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)
Total comprehensive (loss)/income for the year	-	(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)
Balance at 31 December 2022	**253,553**	**(534)**	**46,304**	**299,323**

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 year

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

a) Workers Accommodation

b) Student Accommodation

c) Others

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

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Year ended 31 December 2023				
Revenue:				
Sales to external parties	156,707	49,877	661	207,245
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	3,524	1,329	391	5,244
- Over time	6,816	1,646	270	8,732
Segment results	98,516	20,666	(265)	118,917
Loss on derecognition of a joint venture	-	(92)	-	(92)
Finance expense	(20,827)	(16,225)	-	(37,052)
Interest income				1,491
Net fair value gain on investment properties	72,874	11,920	-	84,794
Share of profit/(loss) of associated companies and joint venture	29,281	(1,982)	57	27,356
Profit before tax				195,414
Tax expense				(19,501)
Net profit				**175,913**
Included in segment results:-				
Depreciation	2,564	657	328	3,549
As at 31 December 2023				
Segment assets	981,452	567,297	1,753	1,550,502
Short-term bank deposits				29,042
Financial assets, at FVOCI				3,432
Tax recoverable				193
Investments in associated companies	103,575	37,313	1,027	141,915
Deferred tax assets	8	-	-	8
Consolidated total assets				**1,725,092**
Segment liabilities	135,663	18,740	343	154,746
Borrowings	386,832	270,580	-	657,412
Current tax liabilities				18,443
Deferred tax liabilities				22,858
Consolidated total liabilities				**853,459**
Other segment items:				
Capital expenditure	52,623	9,637	1,455	63,715

6. Segment Information (continued)

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Year ended 31 December 2022				
Revenue:				
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
Net fair value (losses)/gains 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
Tax expense				(18,985)
Net profit				**76,280**
Included in segment results:-				
Depreciation	2,974	672	17	3,663
As at 31 December 2022				
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
Consolidated total assets				**1,547,755**
Segment liabilities	127,677	15,369	125	143,171
Borrowings	377,875	285,228	-	663,103
Current tax liabilities				12,309
Deferred tax liabilities				20,684
Consolidated total liabilities				**839,267**
Other segment items:				
Capital expenditure	3,263	2,804	-	6,067

7. NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FOR THE YEAR ENDED 31 DECEMBER 2023

a) General information

Centurion is incorporated and domiciled in the Republic of Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 1 November 2023 at 4pm, the Company has completed the voluntary withdrawal of the listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited. 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 2023 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 2022 ("FY2022"), 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 FY2022.

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 2023. 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 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years 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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Rental income from investment properties	102,443	81,030	193,269	159,173
<u>Revenue from contracts with customers (IFRS15)</u>				
Other revenue from accommodation business	5,144	5,856	9,244	12,817
Sale of optical storage media and other trading goods	122	512	385	1,544
Management services	1,613	2,524	4,347	6,916
Total revenue	109,322	89,922	207,245	180,450
<u>Geographical information</u>				
Singapore	74,145	59,293	137,901	120,311
Malaysia	9,559	8,925	19,467	15,917
Australia	8,095	6,441	14,968	10,984
United Kingdom	16,776	13,892	33,366	30,591
Other countries	747	1,371	1,543	2,647
Total revenue	109,322	89,922	207,245	180,450

f) Revenue and profit breakdown

	Group Twelve Months ended 31 December		
	2023 $'000	2022 $'000	Change %
<u>Continuing operation:</u>			
(a) Revenue reported for first half year	97,923	90,528	8
(b) Profit after tax reported for first half year	42,393	35,073	21
(c) Revenue reported for second half year	109,322	89,922	22
(d) Profit after tax reported for second half year	133,520	41,207	224

g) Other income

	Group Second Half Year ended 31 December		Group Twelve Months ended 31 December	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income				
- Financial assets measured at amortised cost	568	288	1,121	378
- Debt investments measured at FVOCI	158	224	370	430
	726	512	1,491	808
Government grant income	22	122	233	1,001
Others	125	738	215	843
	873	1,372	1,939	2,652

h) Other losses - net

	Group Second Half Year ended 31 December		Group Twelve Months ended 31 December	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Currency exchange losses - net	(530)	(713)	(779)	(1,533)
Currency exchange loss from return of capital	(862)	-	(862)	-
Net (loss)/gain on disposal of plant and equipment	(8)	(10)	(19)	10
Loss on derecognition of a joint venture	(92)	-	(92)	-
Financial assets, at fair value through other comprehensive income				
- reclassification from other comprehensive income on disposal	-	-	-	(6)
Fair value loss on financial assets, at fair value through profit or loss	(9)	(6)	(9)	(6)
Others	67	543	77	291
	(1,434)	(186)	(1,684)	(1,244)
Write back/(allowance) for impairment of trade and other receivables	110	(65)	48	316
Gain/(loss) on derecognition of financial assets	-	30	-	(89)
	(1,324)	(221)	(1,636)	(1,017)

i) Tax expense

	Group Second Half Year ended 31 December		Group Twelve Months ended 31 December	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Tax expense attributable to the profit is made up of:				
- Profit for the financial year				
Current tax				
- Singapore	5,454	3,081	9,709	7,144
- Foreign	2,578	1,165	4,620	2,711
	8,032	4,246	14,329	9,855
Deferred tax	4,009	1,887	4,456	8,619
	12,041	6,133	18,785	18,474
- Under/(over) provision in prior financial year				
Current tax	809	(1,284)	734	230
Deferred tax	6	297	(18)	281
	12,856	5,146	19,501	18,985

j) Other information on Income Statement

	Group Second Half Year ended 31 December		Group Twelve Months ended 31 December	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Depreciation	(1,813)	(1,926)	(3,549)	(3,663)

k) Dividends

	Group Twelve Months ended 31 December 2023 $'000	2022 $'000
Ordinary dividends paid		
Interim exempt dividend paid in respect of current financial year of 1.0 Singapore cent (2022: interim exempt dividend paid in respect of the financial year 2022 of 0.5 Singapore cent) per share	8,407	4,209
Final exempt dividend paid in respect of the previous financial year of 0.5 Singapore cent (2022: final exempt dividend paid in respect of the financial year 2021 of 0.5 Singapore cent) per share	4,204	4,213
	12,611	8,422

l) Related party transactions

	Group Twelve Months ended 31 December 2023 $'000	2022 $'000
(a) Sales and purchases of goods and services		
Services provided to immediate holding corporation	140	153
Services provided to associated companies	2,594	2,228
Construction costs charged by related party	3,889	-
Purchases from a company which a director has an interest	32	103
Lease payments to associated companies	761	916
Interest charged by associated company	5,684	1,107
Interest charged by non-controlling interest	323	187
(b) Key management personnel compensation		
Wages and salaries	5,775	5,362
Employer's contribution to defined contribution plan, including Central Provident Fund	86	107
	5,861	5,469

Included in above, total compensation to directors of the Company amounted to S$4,466,000 (2022: S$2,971,000).

m) Financial assets, at fair value through other comprehensive income

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

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	$'000	$'000	$'000	$'000
Listed debt securities – Singapore	3,432	6,466	3,432	6,466

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.

n) Financial assets, at fair value through profit or loss

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

	Group	
	31 Dec 2023	31 Dec 2022
	$'000	$'000
Designated at fair value on initial recognition		
- Unquoted equity investment – Singapore	42	51

As at 31 December 2023 and 2022, 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.

o) Assets held for sale

	Group	
	31 Dec 2023	31 Dec 2022
	$'000	$'000
Details of the assets classified as held-for-sale are as follows:-		
Beginning of financial year	-	-
Transfer from investment properties (Note 7p)	65,194	-
End of financial year	65,194	-

In December 2023, the Group has entered into sale and leaseback agreements with Kumpulan Wang Persaraan (Diperbadankan) ("KWAP"), a Malaysian public sector pension fund, to dispose and leaseback two of the investment properties located in Malaysia.

Under the terms of the relevant sale and purchase agreements, the properties will be acquired by KWAP for an aggregate cash consideration of RM227 million (approximately S$65.2 million). Upon completion of the sale and purchase agreements, Centurion through its subsidiaries will enter into lease agreements with KWAP to leaseback the properties for a period of fifteen (15) years. As at 31 December 2023 and the date of this announcement, these transactions have yet to be completed and the investment properties are classified as assets held for sale.

p) Investment properties

	Group	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Beginning of financial year	1,314,097	1,354,593
Currency translation differences	2,097	(64,309)
Additions	59,906	4,886
Transfer to assets held for sale (Note 7o)	(65,194)	-
Modification of lease liabilities in relation to right-of-use assets	7,438	(55)
Net fair value gain recognised in profit or loss	84,794	18,982
Acquisition of a subsidiary	5,466	-
End of financial year	1,408,604	1,314,097

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

Included in additions are acquisition of an investment property of S$41,630,000 (2022: S$nil) and capitalised expenditure of S$18,276,000 (2022: S$4,886,000).

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$1,320,836,000 (2022: S$1,213,555,000).

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.

During the financial year, valuers have changed the valuation techniques for selected investment properties in Malaysia and Singapore. Valuers have assessed that the change in valuation technique better reflects the fair value measurement of the properties by taking into consideration the expected changes to cashflow over the life of the asset.

The Group recognised the net fair value gain on investment properties amounted to S$84,794,000 (2022: S$18,982,000). The breakdown is as follows:

	Group Twelve Months ended 31 December	
	2023 $'000	2022 $'000
Net fair value gain in relation to investment properties	103,241	36,442
Net fair value loss in relation to right-of-use assets classified as investment properties	(18,447)	(17,460)
Total	84,794	18,982

Copies of the valuation reports for the Group's investment properties are available for inspection at 45 Ubi Road 1, #05-01, Singapore 408696 during normal business hours for a period of three months commencing from the date of this announcement.

q) Property, plant & equipment

During the financial year ended 31 December 2023, the additions and disposals of the Group's property, plant and equipment amounted to S$3,809,000 (2022: S$1,181,000) and S$46,000 (2022: S$62,000) respectively.

During the previous 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 right-of-use asset, classified under ‘Property, plant and equipment’. The corresponding remeasurement to lease liability is recorded on balance sheet.

r) Borrowings

	Group		Company	
	31 Dec 2023 $'000	31 Dec 2022 $'000	31 Dec 2023 $'000	31 Dec 2022 $'000
(i) Amount repayable in one year or less, or on demand				
Secured	56,551	73,837	-	-
Unsecured	2,357	6,179	1,583	2,137
Sub Total	58,908	80,016	1,583	2,137
(ii) Amount repayable after one year				
Secured	458,447	439,116	-	-
Unsecured	140,057	143,971	125,128	131,989
Sub Total	598,504	583,087	125,128	131,989
Total borrowings	657,412	663,103	126,711	134,126

(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.

s) Share capital and treasury shares

	Company No. of shares issued	Group Share capital $'000	Company Share capital $'000
Share capital			
Beginning and end of financial year	840,778,624	142,242	253,553

	Company	
	31 Dec 2023	31 Dec 2022
Total number of issued shares excluding treasury shares	840,778,624	840,778,624

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 2023 and 2022, the Company did not have any employee share option scheme and has no outstanding options, warrants or convertibles.

Treasury shares and subsidiary holdings

	Company	
	As at 31 Dec 2023	As at 31 Dec 2022
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%

t) Sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings

There was no sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings during the year ended 31 December 2023 except that the fixed rate notes due 2024 of the aggregate outstanding principal amount of S$6,250,000 were fully redeemed by the Company at 100 per cent of the said principal amount together with the interest accrued thereof on 12 April 2023.

u) Capital commitments

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

	Group	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Property, plant and equipment	16	105
Investment properties	61,736	13,350

v) 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:-

<u>In relation to fair value changes:</u>

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 period. The Group engaged external and independent valuers to determine the fair value of the Group's investment properties at the end of every financial year. The Group had recognised the fair value changes as fair value gain in the Condensed Interim Consolidated Income Statement. The fair value gain 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 tax expense recognised from the fair value gains.

<u>In relation to one-off capital loss:</u>

iii) The currency exchange loss was derived from the return of capital and loss on derecognition, which occurred in FY2023, from its 55% indirectly owned joint venture.

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 2023 together with the comparative figures for the financial year ended 31 December 2022. These fair value movements result in significant fluctuation in the IFRS financial measures of the Group's performance. Correspondingly, shareholders may not be able to appreciate the Group's financial performance generated from its core business operations which is the managing and operating of workers and student accommodation. Hence, the Group has excluded these adjusting items with the intention to provide a clearer picture of the Group's performance.

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 review – 2H 2023 vs 2H 2022

The Group's revenue increased 22% to S$109.3 million in the second half year ended 31 December 2023 ("2H 2023"), from S$89.9 million reported in the second half year ended 31 December 2022 ("2H 2022").

The higher Group revenue was attributable to the continued positive rental rate revisions and increases in occupancies in both Purpose-Built Workers Accommodation ("PBWA") and Purpose-Built Student Accommodation ("PBSA") portfolio globally.

Amid increased demand and an ongoing supply and demand imbalance in workers' accommodations, Singapore PBWA rental rates increased alongside its financial occupancies which increased from 98% in 2H 2022 to 99%[1] in 2H 2023 excluding an additional 888 beds were added to the Quick Build Dormitories ("QBDs") since April 2023. The overall improvement in revenue was however offset against the absence of revenue from two migrant worker Onboard Centres ("OCs") in Singapore managed by the Group which ceased operations from September 2022.

Strong demand in the United Kingdom ("UK") from both domestic and international students has enabled higher occupancy of 99% in 2H 2023 with higher rental rates as compared to 91% in 2H 2022.

With the return of international students to Australia, revenue was boosted via healthy rental rate revisions and average financial occupancy of the Group's two assets in Adelaide and Melbourne improved from 86% in 2H 2022 to 90% in 2H 2023.

In Malaysia, the Group's PBWA financial occupancy increased from 89% in 2H 2022 to 92% in 2H 2023, mainly driven by an increase in the demand for good quality worker accommodation in Malaysia that complies with Act 446 although a weaker Malaysian Ringgit moderated revenue in 2H 2023.

The Group's gross profit increased S$17.0 million or 27% from S$62.6 million in 2H 2022 to S$79.6 million in 2H 2023 due mainly to revenue growth as a result of improvements in financial occupancy and rental rates.

Other income reduced S$0.5 million mainly due to the absence of Covid-19 related insurance claims in 2H 2023. In 2H 2023, the Group incurred S$1.0 million in other losses as a result of currency exchange loss from return of capital and loss on derecognition of a joint venture in Korea PBSA, which has ceased operations in February 2023 as part of the Group's asset rationalisation strategy.

Distribution expenses increased by S$0.3 million due to the increase in business activities.

Finance expenses increased by S$2.2 million due to the higher interest rate environment.

Share of profit of associated companies and joint venture increased by S$17.9 million, largely due to fair value gain on investment property in Westlite Mandai PBWA.

A fair valuation exercise was conducted by independent valuers on the Group's investment properties as at 31 December 2023, and a net fair value gain reflecting current market conditions of S$79.4 million was recognised in 2H 2023, compared to a gain of S$9.4 million in 2H 2022.

Tax expenses increased by S$7.7 million in line with higher profits and deferred tax on fair value changes.

Accordingly, total profits for 2H 2023 was S$133.5 million, 224% higher compared to S$41.2 million in 2H 2022.

Net profit derived from core business operations was S$40.3 million in 2H 2023 which was S$9.2 million or 30% higher than the S$31.1 million reported in 2H 2022.

Note:

1. Excluding the additional 888 beds in Quick Build Dormitories added in 2Q 2023 for a fair comparison.

(a)(ii) Full year review – FY 2023 vs FY 2022

The Group registered a 15% growth in revenue, from S$180.5 million in the year ended 31 December 2022 ("FY 2022") to S$207.3 million in the year ended 31 December 2023 ("FY 2023"). This was attributable to increased occupancies and positive rental rate revisions across its entire portfolio globally. The improvement in revenue was however offset against the absence of revenue from two migrant worker OCs in Singapore managed by the Group which ceased operations from September 2022.

The Group's PBWA portfolio experienced a growth in financial occupancy from 90% in FY 2022 to 96% in FY 2023.

Revenue from Singapore in FY 2023 was S$137.9 million compared to S$120.3 million in FY 2022 as a result of positive revisions in rental rates and better financial occupancy at 98% in FY 2023.

Malaysia revenue increased 22% to S$19.5 million in FY 2023 from S$15.9 million in FY 2022 as financial occupancy improved from 80% in FY 2022 to 93% in FY 2023. This was aided by the increase in beds available for rents after Asset Enhancement Initiatives ("AEIs") in Westlite Senai and Westlite Tampoi which were completed during the year alongside rental rates improvements. These gains were partially muted by a weaker Malaysian Ringgit.

The Group's PBSA portfolio saw a growth in financial occupancy from 86%[2] in FY 2022 to 92%[2] in FY 2023. The growth was mainly attributed to a strong occupancy rebound from its Australia PBSA assets while the Group's UK PBSA assets saw improved occupancy from 90% to 93% (or 98% excluding beds unavailable in the current academic year due to ongoing AEIs).

UK PBSA revenue, in British pounds, increased 12% compared to FY 2022. The increase was however muted by the weaker British pound registered in FY 2023 as compared to FY 2022. As a result, UK revenue upon translation to Singapore dollar increased only 9% from S$30.6 million in FY 2022 to S$33.4 million in FY 2023.

Australia PBSA revenue grew 36% from S$11.0 million to S$15.0 million with average financial occupancy increasing significantly from 73% in FY 2022 to 88% in FY 2023 on the back of growth in student population, exacerbated by the Chinese government's move to end recognition of online degrees.

The Group's gross profit increased S$26.4 million or 21% from S$123.6 million in FY 2022 to S$150.0 million in FY 2023.

Other income reduced S$0.7 million mainly due to the absence of government grant income.

In other losses, the Group incurred S$1.0 million from currency exchange loss from return of capital and loss on derecognition of a joint venture in Korea PBSA, which has ceased operations in February 2023 as part of the Group's asset rationalisation strategy.

Distribution expenses increased by S$0.2 million due to the increase in business activities.

Finance expenses increased by S$8.7 million mainly due to the higher interest rate environment.

Share of profit of associated companies and joint venture increased by S$18.4 million, largely due to fair value gain on investment property in Westlite Mandai PBWA as well as higher occupancy and rental rate in Westlite Mandai PBWA.

The net fair value gain of S$84.8 million in FY 2023 was due to the Group's investment properties across all territories in Singapore, UK, Malaysia and Australia, offset against the adjustment of fair value of Right of Use ("ROU") investment properties. This was compared to a net fair value gain of S$19.0 million in FY 2022 arising mainly from investment properties in UK, Malaysia and Australia, offset against the fair value loss of investment properties in Singapore as well as the adjustment of fair value of ROU investment properties.

Tax expenses increased by S$0.5 million mainly due to higher profits.

Total profit for FY 2023 was S$175.9 million, an increase of S$99.6 million or 131% as compared to S$76.3 million in FY 2022. Excluding fair value adjustments and costs on derecognition of a joint venture, net profit derived from core business operations was S$76.3 million in FY 2023, which was S$12.8 million or 20% higher than S$63.5 million in FY 2022.

Note:

2. Occupancy excludes Korea PBSA which ceased operations by the end of February 2023.

(b) Review of Group Balance Sheet

Cash and bank balances increased by S$6.4 million to S$74.7 million as at 31 December 2023, largely due to net cash provided by operating activities.

Other assets increased S$2.0 million due to deposits paid for potential projects.

Financial assets, at fair value through other comprehensive income reduced by S$3.0 million, due mainly to the redemption of some listed debt securities in Singapore.

Assets held for sale consist of the Westlite Bukit Minyak and Westlite Tampoi which are in the process of sale to Kumpulan Wang Persaraan (Diperbadankan) ("KWAP").

Investments in associated companies increased S$21.6 million mainly due to an increase in the share of profits arose from better financial performance and net fair valuation gains derived from investment properties.

Investment in a joint venture reduced S$6.0 million primarily due to the cessation of operations in Korea.

Investment properties increased by S$94.5 million, largely due to the net fair value gains as well as acquisition of land at Ubi Avenue 3 in Singapore for development into workers accommodation and AEIs to the UK and Australia properties. This is offset against the investment properties in Westlite Bukit Minyak and Westlite Tampoi which had been transferred to assets held for sale.

Trade and other payables increased S$25.1 million largely due to advance rental and rental deposits received from new tenants as the occupancy rates have increased.

Lease liabilities decreased by S$13.4 million to S$73.5 million due mainly to the repayment of the principal component of the lease liabilities.

Borrowings & Gearing

The Group's borrowings reduced from S$663.1 million as at 31 December 2022 to S$657.4 million as at 31 December 2023 due primarily to repayment of borrowings.

The Group's net gearing ratio was reduced from 43% as at 31 December 2022 to 38% as at 31 December 2023. 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 2023, the Group's balance sheet remained healthy with S$74.7 million in cash and bank balances. The Group has unutilised committed credit facilities of S$83.2 million (of which S$69.4 million relates to unutilised committed credit facilities expiring more than 12 months after balance sheet date) to meet the net current liabilities of S$10.1 million as at 31 December 2023.

(c) Review of Company Balance Sheet

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

Borrowings reduced by S$7.4 million largely due to the redemption of S$6.25 million fixed rate notes due 2024 on 12 April 2023.

(d) Review of Statement of Cash Flows

In FY 2023, the Group generated positive cash flow of S$122.8 million from operating activities.

Net cash used in investing activities amounted to S$45.3 million, mainly due to additions to investment properties and property, plant and equipment, partially offset by dividends received from joint venture and associated company as well as return of capital from a joint venture.

The Group recorded net cash used in financing activities of S$72.2 million mainly for the repayment of borrowings, interest, principal portion of lease liabilities and dividends paid during the year which offset proceeds from borrowings.

9. (a) Earnings per share

	Group Twelve Months ended 31 December 2023	2022
Net profit attributable to equity holders of the Company (S$'000)	153,115	71,425
Net profit from core business operations attributable to equity holders of the Company (S$'000)	69,228	57,090
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,779	840,779
Earnings per ordinary share:		
(i) Basic earnings per share (cents)	18.21	8.50
(ii) Diluted earnings per share (cents)	18.21	8.50
Earnings per ordinary share based on core business operations:		
(i) Basic earnings per share (cents)	8.23	6.79
(ii) Diluted earnings per share (cents)	8.23	6.79

(b) Net asset value

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net asset value per ordinary share (see note below)	98.21 cents	81.70 cents	36.28 cents	35.60 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 2023 and 31 December 2022.

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 2023, Centurion operates a diversified portfolio of 34 operational purpose-built workers and student accommodation assets ("PBWA" and "PBSA" respectively), comprising 67,377 beds across Singapore, Malaysia, Australia, the United Kingdom ("UK") and the United States ("US").

Workers Accommodation

Singapore

In Singapore, the Group operates nine Purpose-Built Workers Accommodation ("PBWA") of 34,786 beds, which includes five Purpose-Built Dormitories ("PBDs") comprising 27,530 beds, and four Quick Build Dormitories ("QBDs") comprising 7,256 beds.

Demand and supply dynamics for PBWAs continue to be positive, with healthy rental revisions given strong employer demand for dormitory beds. The average financial occupancy for the Group's nine PBWAs grew 1 percentage point from 97% in FY 2022 to 98% in FY 2023.

Rental rate revisions continue to be healthy, and 2H 2023 Singapore PBWA revenue increased 25% as compared to 2H 2022, whereas revenue growth for FY2023 was 15% compared to FY 2022. As the 1-year tenant leases expire and are renewed at prevailing higher rental rates, the full impact of rental rate revisions is expected to emerge progressively over the next 12 months.

During 2023, the number of Work Permit holders in the Construction, Marine and Process (CMP) sectors increased by 23% since January 2022, or almost 10% higher than pre-COVID levels, as employers brought in more workers to catch up on projects delayed by the pandemic[1]. This resulted in a shortage of PBWA beds, which the Government and industry took measures to address. To assist in enlarging bed supply to the market, Centurion has begun to convert some of its amenity spaces into dual use as isolation facilities which will release approximately 346 beds to the market. Earlier in the year, the Group added approximately 888 beds at two of its QBDs, Westlite Jalan Tukang and Westlite Tuas Avenue 2. With the uplift in bed capacity, these two QBDs still meet the New Dormitory Standards ("NDS") announced by the Ministry of Manpower, with six residents per unit at 4.2m^2 living space per bed.

The Group continues to explore opportunities to enlarge its Singapore portfolio capacity. 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. The development Westlite Ubi, which is expected to be completed in December 2024, will add approximately 1,650 beds to the Group's portfolio and will comply fully with NDS.

The Group remains well-positioned to capture the rising demand for workers accommodation, with Singapore's Building and Construction Authority (BCA) expecting to award more construction contracts amounting to between $32 billion to $38 billion from 2025 to 2028[2].

On 11 October 2023, the Ministry of Manpower announced its Dormitory Transition Scheme ("DTS"), requiring existing dormitories to comply with new interim dormitory specifications between 2027 and 2030 and the higher NDS by 2040. The Group welcomes the evolution of dormitory standards to improve pandemic resilience and dormitory liveability, and is well-prepared with plans in place to meet the interim standards or where possible the higher NDS, to deliver a better dormitory product while maintaining operational bed capacities to support the needs of employer-customers.

As part of its transition plan, the Group has received Provisional Permissions from the relevant authorities for partial redevelopment of two PBDs, Westlite Toh Guan and Westlite Mandai. The redevelopment of Block 14 at Westlite Toh Guan is targeted to complete in 2026, adding approximately 1,764 beds. At Westlite Mandai, the Group plans to redevelop its outdoor courts into a new block of approximately 3,696 beds, to be completed in 2026. Centurion aims to substantially complete and deliver the added dormitory bed supply to the market ahead of the transition period beginning in 2027. This would enable the Group to meet the strong market demand and commence progressive retrofitting of other parts of its PBDs, with minimal reduction of its total bed capacity and disruption of dormitory bed supply to employers. The new blocks, complying to the NDS ahead of 2040, will provide "swing sites" for residents to move to, while retrofitting works are carried out in existing blocks.

Malaysia

Increased regulatory controls such as the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446"), coupled with growing awareness around the need for improved welfare of migrant worker populations, has heightened demand for well-designed, professionally-managed PBWAs (or Centralized Living Quarters) in Malaysia. The Group's Malaysian assets are all certified by JTKSM to be compliant to Act 446.

Remarks:

1. https://www.mom.gov.sg/newsroom/parliament-questions-and-replies/2022/1020-written-answer-to-pq-on-price-and-adequacy-of-bed-space-in-mw-dorms.
2. https://www.straitstimes.com/singapore/between-32-billion-to-38-billion-in-construction-contracts-to-be-awarded-in-2024-bca The Straits Times 15 Jan 2024

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.

The Malaysian PBWA portfolio bed capacity was 27,373 beds as of 31 December 2023, which includes an additional capacity of 290 beds in Westlite Tampoi, following approval from JTKSM received in early 2023.

Average financial occupancy for the Malaysia PBWA portfolio has improved steadily to 93% in FY 2023 as compared to 80% in FY 2022, as occupancy continues to improve in tandem with the growth in demand for quality worker accommodation compliant to Act 446. Demand for PBWA beds is expected to remain strong into 2024, and Centurion continues to explore opportunities to grow its portfolio capacity in this market.

Asset Enhancement Initiatives ("AEI") have commenced at Westlite Senai II and Westlite Johor Tech Park, which will add approximately 920 beds and 1,740 beds respectively on expected completion in 4Q 2024. Additional enhancements are planned at Westlite Pasir Gudang, to add approximately 950 beds on expected completion in 1Q 2025.

On 4 December 2023, Centurion entered into sale and leaseback agreements with Kumpulan Wang Persaraan (Diperbadankan) (KWAP), Malaysia's public sector pension fund, for two of the Group's Malaysia assets, Westlite Bukit Minyak and Westlite Tampoi (the "Properties"). On completion of the sales and purchase agreements, the Group will leaseback and operate the two properties for a period of 15 years.

The divestment of the Properties is part of the Group's ongoing strategic rationalisation of its portfolio assets, to recycle and redeploy capital to further grow its portfolio of assets under management. The sale and leaseback of the Properties is also aligned with the Group's strategy to grow its business via asset light means. This sale and leaseback transaction exemplifies the strategy by which Centurion intends to optimise its capital, enlarge its portfolio and expand revenue streams. The Group will pursue this model and similar asset light strategies for synergistic, scalable growth of its specialised accommodation business across all global markets moving forward.

Also in December 2023, the Group completed the acquisition of the remaining shares in the associated company Oriental Amber Sdn Bhd, which holds a plot of land in Nusajaya, Iskandar, Johor. The Group is evaluating development of a new PBWA of approximately 7,000 beds on the land, which was originally zoned for agricultural use but has now been converted and zoned for industrial use.

Student Accommodation

As at 31 December 2023, the Group operates a portfolio of 5,218 beds across 17 operational PBSA assets in Australia, the UK and the US. Financial occupancies in the Group's PBSAs have improved significantly across the markets in tandem with the return of students to these markets, amid continuing under-supply of PBSA beds in key university cities.

Data from the global Student Housing Annual Report 2023 by Bonard[3] reflects high occupancy rates and positive revisions in PBSA rents in 2023 across all higher education destinations analysed, including the UK, Australia and the US, and indicates continued healthy demand and potential for rental income growth for PBSA properties in the year ahead.

United Kingdom

Average financial occupancy in the Group's UK portfolio, which comprises 10 assets strategically located near top universities, continues to improve with UK continuing to be a destination of choice for international students. Average financial occupancy remained robust at 93% in FY 2023 as compared to 90% in FY 2022. Excluding beds not available during the year due to an AEI at dwell Cathedral Campus, average financial occupancy was 98% in FY 2023.

Continued shortage in PBSA supply in the face of increasing demand from both domestic and international students pursuing education in the UK, has enabled strong rental reversions, which cushioned the impact of high energy prices, inflationary pressures and increased operating costs for the Group.

Changes in the UK visa system, alongside the UK government's recent scrutiny of visa integrity, have contributed to a more genuine and committed student-tenant base, potentially benefiting PBSA providers[4].

Pre-bookings for Academic Year 2024/25 are healthy, and the Group continues to explore opportunities to enhance its UK portfolio to meet growing and evolving demand.

In 2023, the Group completed AEIs at dwell MSV in Manchester and dwell Cathedral Campus in Liverpool, converting selected non-ensuite apartments to ensuite apartments and studios, with a reduction of 21 beds at dwell MSV. The retrofitted new room formats align with the shifts in consumer demands post-pandemic and are expected to enhance occupancy and rental income in the two assets.

Remarks:
3. https://studytravel.network/magazine/news/0/30389 6 Feb 2024.
4. https://thepienews.com/analysis/visa-integrity-the-hunt-for-genuine-students/ The PIE News 4 Jan 2024

Australia

In Australia, the average financial occupancy of the Group's two assets in Adelaide and Melbourne has recovered strongly, improving from 73% in FY 2022 to 88% in FY 2023 as total number of student arrivals for 2023 set a new record for Australia[5].

Rental rate revisions have also been positive in FY 2023, reflecting a continued PBSA bed shortage and low PBSA vacancy rates in the cities where Centurion operates.

Occupancies are expected to remain at healthy levels, with positive rental revisions, as demand for PBSAs in Australia continues to rise[6].

The Group continues to explore opportunities for portfolio enhancement or expansion in Australia.

In 2023, the Group carried out minor reconfiguration to convert selected twin occupancy rooms to single occupancy room formats, in continuing efforts to optimise occupancy and yield. At dwell Village Melbourne City, pending finalization of Development Approval, the Group plans to redevelop an existing carpark into a new block of PBSA, to add approximately 600 beds. The Group is also evaluating the redevelopment of existing accommodation blocks in dwell Village Melbourne City, to further enhance the asset.

United States

Centurion's US portfolio comprises five 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 had in November 2022 extended the term of CUSSHF to November 2024. In 2Q 2023, CUSSHF successfully disposed of a single asset, dwell Tenn Street in Tallahassee, Florida.

As the fund approaches its term conclusion in November 2024, CUSSHF is currently evaluating the potential divestment of its remaining assets. Notably, occupancy remains strong and stable for the current academic year 2023/2024, and pre-leasing for the next academic year is healthy.

Looking Ahead

Notwithstanding high interest rates and inflationary cost pressures, the Group remains positive that its portfolio of assets will continue to do well in 2024 and will continue to practice prudent financial management whilst growing its global portfolio of assets under management.

Reiterating the Group's firm commitment to deliver sustained, long-term value to shareholders through both AEIs as well as investments in synergistic assets and businesses globally, the Group will also continue its strategic review to rationalise its specialised accommodation portfolio for strategic alignment, executing capital recycling and capital allocation towards higher yielding markets and assets, identifying opportunities to scale in existing markets, or to enter new markets.

The Group will also continue to calibrate and enhance its assets, spaces and operations to adjust to demand shifts as well as regulatory changes, to boost pandemic management resilience and ensure the wellbeing of its worker and student residents, as well as enhance operational efficiency going forward.

Remarks:

5. International students arriving in 'record numbers', putting more pressure on housing, News.com.au, 12 Sep 2023
6. 'https://pbsanews.co.uk/2024/01/04/australia-pbsa-sector-stable-and-resilient-savills-finds/ PBSA News, 4 Jan 2024

11. 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.

12. Use of proceeds

Not applicable

13. Dividend

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

Any dividend declared for the current financial year reported on ?

Name of Dividend	Interim dividend	Final dividend
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share	1.5 cents 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 26 April 2024, shareholders will receive the proposed final dividend of SGD1.5 cents per ordinary share.

(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	Final dividend
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

(c) Date Payable

The proposed final dividend, if approved at the Annual General Meeting to be held on 26 April 2024, will be paid on 31 May 2024.

(d) Book Closure Date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 13 May 2024 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 10 May 2024 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 10 May 2024 will be entitled to the proposed final dividend.

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

	Company	
	2023	**2022**
	$'000	**$'000**
Ordinary shares	21,019	8,413
Preference shares	-	-
Total	21,019	8,413

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.

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

Not applicable.

16. 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.

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

Not applicable.

18. 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 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group's 2H 2023 and FY 2023 results are in line with the commentary of the Company's profit guidance announcement dated 13 February 2024.

20. 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.

21. 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.

22. 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 2024