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**CENTURION CORPORATION LIMITED**

**勝捷企業有限公司\***

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

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

**(SGX Stock Code: OU8)**

**UNAUDITED HALF YEAR  
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

*\*For identification purpose only*

**Unaudited Half Year Financial Statements and Dividend Announcement**  
**For the Six Months Ended 30 June 2024**

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 ended 30 June 2024 ("1H 2024"), together with the comparative figures for the six months ended 30 June 2023 ("1H 2023") as follows:

**1. Condensed Interim Consolidated Income Statement**

	<b>Group</b>		
	<b>1H 2024</b>	<b>1H 2023</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Revenue	124,413	97,923	27
Cost of sales	(30,266)	(27,534)	10
Gross profit	94,147	70,389	34
Other income	765	1,066	(28)
Other gains/(losses) - net			
- Allowance for impairment of trade and other receivables	(77)	(62)	24
- Others	143	(250)	N/M
Expenses			
- Distribution expenses	(789)	(754)	5
- Administrative expenses	(16,503)	(12,650)	30
- Finance expenses	(18,358)	(18,294)	-
Share of profit of associated companies and joint venture	25,076	4,199	497
	84,404	43,644	93
Net fair value gain on investment properties	61,558	5,417	1,036
<b>Profit before tax</b>	<b>145,962</b>	<b>49,061</b>	<b>198</b>
Tax expense	(18,270)	(6,668)	174
<b>Total profit</b>	<b>127,692</b>	<b>42,393</b>	<b>201</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	118,208	38,301	209
Non-controlling interests	9,484	4,092	132
<b>Total profit</b>	<b>127,692</b>	<b>42,393</b>	<b>201</b>

**Note 1:**

**Total profit - IFRS measure**

Adjusted for non-IFRS measure:

- Net fair value gain on investment properties including those of associated companies
- Deferred tax arising from fair value changes

**Profit from core business operations - non-IFRS measure**

	127,692	42,393	201
	(82,127)	(6,760)	1,115
	7,806	387	1,917
	53,371	36,020	48

**Note 2:**

**Profit attributable to equity holders of the Company - IFRS measure**

Adjusted for non-IFRS measure:

- Net fair value gain on investment properties including those of associated companies attributable to equity holders
- Deferred tax arising from fair value changes

**Profit from core business operations attributable to equity holders - non-IFRS measure**

	118,208	38,301	209
	(77,526)	(5,645)	1,273
	7,806	387	1,917
	48,488	33,043	47

## 2. Condensed Interim Consolidated Statement of Comprehensive Income

	<b>Group</b>		
	<b>1H 2024</b>	<b>1H 2023</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Total profit	127,692	42,393	201
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Financial assets at fair value through other comprehensive income ("FVOCI")			
- Fair value gain	(325)	347	N/M
Cash flow hedges			
- Fair value gain	325	376	(14)
- Reclassification	(733)	(987)	(26)
Share of other comprehensive income of associated companies and joint venture	1,116	92	1,113
Currency translation gains arising from consolidation	5,942	7,184	(17)
Other comprehensive income, net of tax	6,325	7,012	(10)
<b>Total comprehensive income</b>	<b>134,017</b>	<b>49,405</b>	<b>171</b>
<b><u>Total comprehensive income attributable to:</u></b>			
Equity holders of the Company	124,483	45,281	175
Non-controlling interests	9,534	4,124	131
<b>Total comprehensive income</b>	<b>134,017</b>	<b>49,405</b>	<b>171</b>
<b>Earnings per share for the profit attributable to equity holders of the</b>			
Basic earnings per share (cents)	14.06	4.56	208
Diluted earnings per share (cents)	14.06	4.56	208

N/M : Not meaningful

### 3. Condensed Balance Sheets

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	90,500	74,717	22,686	17,352
Trade and other receivables	23,725	11,836	32,069	25,990
Inventories	202	190	-	-
Other assets	3,650	7,638	524	567
Derivative financial instruments	432	771	-	-
Financial assets, at fair value through other comprehensive income	3,107	3,432	3,107	3,432
	<b>121,616</b>	<b>98,584</b>	<b>58,386</b>	<b>47,341</b>
Assets held for sale	42,089	65,194	-	-
	<b>163,705</b>	<b>163,778</b>	<b>58,386</b>	<b>47,341</b>
<b>Non-current assets</b>				
Trade and other receivables	-	-	398,629	399,580
Other assets	3,850	2,353	138	138
Derivative financial instruments	451	787	41	35
Financial assets, at fair value through profit or loss	42	42	-	-
Investments in associated companies	165,407	141,915	1,298	1,298
Investments in subsidiaries	-	-	16,716	16,716
Investment properties	1,535,331	1,408,604	-	-
Property, plant & equipment	7,721	7,605	1,443	1,641
Deferred tax assets	55	8	-	-
	<b>1,712,857</b>	<b>1,561,314</b>	<b>418,265</b>	<b>419,408</b>
<b>Total assets</b>	<b>1,876,562</b>	<b>1,725,092</b>	<b>476,651</b>	<b>466,749</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	83,804	79,768	40,720	32,275
Other liabilities	968	966	-	-
Current tax liabilities	17,698	18,443	1,420	1,716
Borrowings	60,143	58,908	10,596	1,583
Lease liabilities	19,549	15,809	529	516
	<b>182,162</b>	<b>173,894</b>	<b>53,265</b>	<b>36,090</b>
<b>Non-current liabilities</b>				
Trade and other payables	602	389	-	-
Other liabilities	55	81	-	-
Deferred tax liabilities	31,027	22,858	35	35
Borrowings	593,590	598,504	117,568	125,128
Lease liabilities	78,048	57,733	182	450
	<b>703,322</b>	<b>679,565</b>	<b>117,785</b>	<b>125,613</b>
<b>Total liabilities</b>	<b>885,484</b>	<b>853,459</b>	<b>171,050</b>	<b>161,703</b>
<b>NET ASSETS</b>	<b>991,078</b>	<b>871,633</b>	<b>305,601</b>	<b>305,046</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	142,242	142,242	253,553	253,553
Other reserves	(56,225)	(62,500)	(849)	(585)
Retained profits	851,624	746,028	52,897	52,078
	<b>937,641</b>	<b>825,770</b>	<b>305,601</b>	<b>305,046</b>
Non-controlling interests	53,437	45,863	-	-
<b>Total equity</b>	<b>991,078</b>	<b>871,633</b>	<b>305,601</b>	<b>305,046</b>
<b>Gearing ratio*</b>	40%	43%		
<b>Net gearing ratio**</b>	34%	38%		

\* 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

	1H 2024 \$'000	1H 2023 \$'000
Total profit	127,692	42,393
Adjustments for:		
- Tax expense	18,270	6,668
- Depreciation	1,876	1,736
- Allowance for impairment of trade and other receivables	77	62
- Net loss on disposal of plant and equipment	13	11
- Net fair value gain on investment properties	(61,558)	(5,417)
- Interest income	(581)	(765)
- Finance expenses	18,358	18,294
- Share of profit of associated companies and joint venture	(25,076)	(4,199)
- Unrealised currency translation differences	356	35
Operating cash flow before working capital changes	79,427	58,818
Change in working capital		
- Inventories	(12)	117
- Trade and other receivables	(8,058)	1,288
- Other assets	(594)	2,377
- Trade and other payables and other liabilities	(8,354)	(3,021)
Cash generated from operations	62,409	59,579
Tax paid	(9,623)	(5,303)
<b>Net cash provided by operating activities</b>	<b>52,786</b>	<b>54,276</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	(1)	24
Additions to investment properties	(10,908)	(47,115)
Additions to property, plant and equipment	(2,174)	(1,274)
Interest received	635	775
Dividends received from an associated company and a joint venture	2,700	1,399
Return of capital on deregistration of a joint venture	-	4,203
Proceeds from disposal of financial assets, at FVOCI	-	1,000
Proceeds from disposal of asset held for sale	13,117	-
Deposits received for asset held for sale	2,913	-
<b>Net cash provided by/(used in) investing activities</b>	<b>6,282</b>	<b>(40,988)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	21,943	51,445
Proceeds from non-controlling interests for issuance of ordinary shares	-	1,470
Loan from non-controlling interests	-	1,180
Repayment of loan from associated company	-	(1,500)
Repayment of borrowings	(21,651)	(30,440)
Interest paid on borrowings	(16,734)	(16,887)
Interest paid on lease liabilities	(1,624)	(1,505)
Repayment of principal portion of lease liabilities	(10,934)	(9,445)
Restricted cash charged as security to bank	(88)	(251)
Dividends paid to equity holders of the Company	(12,612)	(4,204)
Dividends paid to non-controlling interests	(1,960)	-
Premium paid for purchase of interest rate cap	-	(181)
<b>Net cash used in financing activities</b>	<b>(43,660)</b>	<b>(10,318)</b>
Net increase in cash and cash equivalents held	15,408	2,970
<b>Cash and cash equivalents</b>		
Beginning of the financial period	71,909	66,556
Effects of currency translation on cash and cash equivalents	287	67
End of the financial period	<b>87,604</b>	<b>69,593</b>
The consolidated cash and cash equivalents comprise the following:-		
Cash and bank balances	90,500	71,562
Restricted cash	(2,896)	(1,969)
	<b>87,604</b>	<b>69,593</b>

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

<b>GROUP</b>	←Attributable to equity holders of the Company→			Non-controlling interests	Total Equity	
	Share capital	Other reserves	Retained profits			
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>For the six months ended 30 June 2024</b>						
Balance at 1 January 2024	142,242	(62,500)	746,028	825,770	45,863	871,633
Profit for the period	-	-	118,208	118,208	9,484	127,692
Other comprehensive income for the period	-	6,275	-	6,275	50	6,325
<b>Total comprehensive income for the period</b>	-	6,275	118,208	124,483	9,534	134,017
Dividends paid to non-controlling interest	-	-	-	-	(1,960)	(1,960)
Dividends relating to 2023 paid	-	-	(12,612)	(12,612)	-	(12,612)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(12,612)	(12,612)	(1,960)	(14,572)
<b>Balance at 30 June 2024</b>	<b>142,242</b>	<b>(56,225)</b>	<b>851,624</b>	<b>937,641</b>	<b>53,437</b>	<b>991,078</b>
<b>For the six months ended 30 June 2023</b>						
Balance at 1 January 2023	142,242	(60,836)	605,524	686,930	21,558	708,488
Profit for the period	-	-	38,301	38,301	4,092	42,393
Other comprehensive income for the period	-	6,980	-	6,980	32	7,012
<b>Total comprehensive income for the period</b>	-	6,980	38,301	45,281	4,124	49,405
Dividends relating to 2022 paid	-	-	(4,204)	(4,204)	-	(4,204)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(4,204)	(4,204)	-	(4,204)
Issuance of shares from a subsidiary	-	-	-	-	1,470	1,470
<b>Balance at 30 June 2023</b>	<b>142,242</b>	<b>(53,856)</b>	<b>639,621</b>	<b>728,007</b>	<b>27,152</b>	<b>755,159</b>

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

<b>COMPANY</b>	Share capital \$'000	Other reserves \$'000	Retained profits \$'000	Total \$'000
<b>For the six months ended 30 June 2024</b>				
Balance at 1 January 2024	253,553	(585)	52,078	305,046
Profit for the period	-	-	13,431	13,431
Other comprehensive loss for the period	-	(264)	-	(264)
<b>Total comprehensive (loss)/income for the period</b>	-	(264)	13,431	13,167
Dividends relating to 2023 paid	-	-	(12,612)	(12,612)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(12,612)	(12,612)
<b>Balance at 30 June 2024</b>	<b>253,553</b>	<b>(849)</b>	<b>52,897</b>	<b>305,601</b>
<b>For the six months ended 30 June 2023</b>				
Balance at 1 January 2023	253,553	(534)	46,304	299,323
Profit for the period	-	-	8,808	8,808
Other comprehensive income for the period	-	346	-	346
<b>Total comprehensive income for the period</b>	-	346	8,808	9,154
Dividends relating to 2022 paid	-	-	(4,204)	(4,204)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(4,204)	(4,204)
<b>Balance at 30 June 2023</b>	<b>253,553</b>	<b>(188)</b>	<b>50,908</b>	<b>304,273</b>

## 6. Segment Information

Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding 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
<b>Six months ended 30 June 2024</b>				
<b>Revenue:</b>				
Sales to external parties	94,252	29,763	398	124,413
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	1,920	755	73	2,748
- Over time	3,335	756	325	4,416
Segment results	62,447	15,012	(354)	77,105
Finance expense	(9,858)	(8,500)	-	(18,358)
Interest income				581
Net fair value gain on investment properties	28,613	32,945	-	61,558
Share of profit/(loss) of associated companies	25,220	(152)	8	25,076
Profit before tax				145,962
Tax expense				(18,270)
<b>Net profit</b>				<b>127,692</b>
<b>Included in segment results:-</b>				
Depreciation	1,113	323	440	1,876
<b>As at 30 June 2024</b>				
Segment assets	1,049,442	626,504	1,877	1,677,823
Short-term bank deposits				29,671
Financial assets, at FVOCI				3,107
Tax recoverable				499
Investments in associated companies	126,095	38,274	1,038	165,407
Deferred tax assets	55	-	-	55
<b>Consolidated total assets</b>				<b>1,876,562</b>
Segment liabilities	161,617	21,177	232	183,026
Borrowings	385,305	268,428	-	653,733
Current tax liabilities				17,698
Deferred tax liabilities				31,027
<b>Consolidated total liabilities</b>				<b>885,484</b>
<b>Other segment items:</b>				
Capital expenditure	21,594	1,730	443	23,767



## 6. Segment Information (continued)

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
<b>Six months ended 30 June 2023</b>				
<b>Revenue:</b>				
Sales to external parties	73,338	24,259	326	97,923
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	1,680	630	264	2,574
- Over time	3,654	807	62	4,523
Segment results	46,139	10,978	(143)	56,974
Finance expense	(10,464)	(7,830)	-	(18,294)
Interest income				765
Net fair value gain/(loss) on investment properties	5,767	(350)	-	5,417
Share of profit of associated companies and joint venture	4,996	(813)	16	4,199
Profit before tax				49,061
Tax expense				(6,668)
<b>Net profit</b>				<b>42,393</b>
<b>Included in segment results:-</b>				
Depreciation	1,284	318	134	1,736
<b>As at 31 December 2023</b>				
Segment assets	981,452	567,298	1,752	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
<b>Consolidated total assets</b>				<b>1,725,092</b>
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
<b>Consolidated total liabilities</b>				<b>853,459</b>
<b>Twelve months ended 31 December 2023</b>				
<b>Other segment items:</b>				
Capital expenditure	52,623	9,637	1,455	63,715

## **7. NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

### **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"). 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 ended 30 June 2024 have been prepared in accordance with 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 2023 ("FY2023"), which have been prepared in accordance with Singapore Financial Reporting Standards (International) ("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 FY2023.

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 period, the Group has adopted all the new and revised SFRS(I)s and IFRSs that are relevant to its operations and effective for its accounting period beginning on 1 January 2024. The adoption of these new and revised SFRS(I)s and IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior 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 2023.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 7 (o) – determination of fair value of investment properties using significant unobservable inputs.

**e) Revenue**

	<b>Group</b>	
	<b>1H 2024</b>	<b>1H 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income from investment properties	117,249	90,826
<u>Revenue from contracts with customers (IFRS15)</u>		
Other revenue from accommodation business	5,818	4,100
Sale of optical storage media and other trading goods	68	264
Management services	1,278	2,733
<b>Total revenue</b>	<b>124,413</b>	<b>97,923</b>
<u>Geographical information</u>		
Singapore	85,121	63,756
Malaysia	9,529	9,908
Australia	8,240	6,873
United Kingdom	20,849	16,590
Other countries	674	796
<b>Total revenue</b>	<b>124,413</b>	<b>97,923</b>

**f) Other income**

	<b>Group</b>	
	<b>1H 2024</b>	<b>1H 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income		
- Financial assets measured at amortised cost	448	553
- Debt investments measured at FVOCI	133	212
	581	765
Government grant income	106	211
Others	78	90
	765	1,066

**g) Other gains/(losses) - net**

	<b>Group</b>	
	<b>1H 2024</b>	<b>1H 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Currency exchange gains/(losses) - net	154	(249)
Net loss on disposal of plant and equipment	(13)	(11)
Others	2	10
	143	(250)
Allowance for impairment of trade and other receivables	(77)	(62)
	66	(312)

## h) Tax expense

Tax expense attributable to the profit is made up of:

- Profit for the financial period

Current tax

- Singapore

- Foreign

Deferred tax

- Under/(over) provision in prior financial period

Current tax

Deferred tax

Group	
1H 2024	1H 2023
\$'000	\$'000
7,257	4,255
3,094	2,042
10,351	6,297
7,815	447
18,166	6,744
150	(75)
(46)	(1)
18,270	6,668

## i) Other information on Income Statement

Depreciation

Group	
1H 2024	1H 2023
\$'000	\$'000
1,876	1,736

## j) Dividends

### Ordinary dividends paid

Final exempt dividend paid in respect of the previous financial year of 1.5 cents (1H 2023: final exempt dividend paid in respect of the financial year 2022 of 0.5 cents) per share

Group	
1H 2024	1H 2023
\$'000	\$'000
12,612	4,204
12,612	4,204

## k) Related party transactions

### (a) Sales and purchases of goods and services

Services provided to immediate holding corporation

Services provided to associated companies

Construction costs charged by related party

Purchases from a company which a director has an interest

Non cash gift given to directors

Lease payments to associated companies

Interest charged by associated company

Interest charged by non-controlling interest

### (b) Key management personnel compensation

Wages and salaries

Employer's contribution to defined contribution plan, including

Central Provident Fund

Group	
1H 2024	1H 2023
\$'000	\$'000
75	74
1,250	1,200
13,264	-
14	23
44	-
408	461
862	911
157	163
4,107	2,975
71	70
4,178	3,045

Included in above, total compensation to directors of the Company amounted to S\$2,494,000 (1H 2023: S\$1,725,000).

## l) Financial assets, at fair value through other comprehensive income

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

	Group		Company	
	30 Jun 2024 \$'000	31 Dec 2023 \$'000	30 Jun 2024 \$'000	31 Dec 2023 \$'000
Listed debt securities – Singapore	3,107	3,432	3,107	3,432

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.

## m) Financial assets, at fair value through profit or loss

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

	Group	
	30 Jun 2024 \$'000	31 Dec 2023 \$'000
<i>Designated at fair value on initial recognition</i> - Unquoted equity investment – Singapore	42	42

As at 30 June 2024 and 31 December 2023, 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.

## n) Assets held for sale

	Group	
	30 Jun 2024 \$'000	31 Dec 2023 \$'000
Details of the assets classified as held-for-sale are as follows:-		
Beginning of financial period	65,194	-
Currency translation differences	(87)	-
Addition	70	-
Transfer from investment properties (Note 7o)	-	65,194
Disposal	(23,088)	-
End of financial year	42,089	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 30 June 2024, the sale of one of the investment properties has yet to be completed and is classified as assets held for sale.

**o) Investment properties**

	<b>Group</b>	
	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial period/year	1,408,604	1,314,097
Currency translation differences	8,697	2,097
Additions	45,945	59,906
Transfer to assets held for sale (Note 7n)	-	(65,194)
Modification of lease liabilities in relation to right-of-use assets	10,527	7,438
Net fair value gain recognised in profit or loss	61,558	84,794
Acquisition of a subsidiary	-	5,466
End of financial period/year	<b>1,535,331</b>	<b>1,408,604</b>

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

Included in additions are acquisition of an investment property of S\$nil (2023: S\$41,630,000), capitalised expenditure of S\$21,743,000 (2023: S\$18,276,000) and addition to right-of-use ("ROU") assets of S\$24,202,000 (2023: S\$nil).

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\$1,423,232,000 (2023: S\$1,320,836,000).

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 applies estimates, assumptions and judgements in the determination of fair values for investment properties. The valuation forms the basis for the carrying amounts of the investment properties held directly by the Group in the consolidated financial statements. There is significant judgement in key inputs used in the valuation. These key inputs include discount rate, rental rate, market value of comparable property, capitalisation rate, cost to complete and cost per square metre, and are dependent on the nature of each investment property and the prevailing market conditions.

The Group had carried out an internal assessment on its investment properties as at 30 June 2024, in consultation with the independent professional valuers who had performed the valuations of the Group's investment properties as at 31 December 2023, for any material changes in key inputs. The key inputs were found to remain substantially unchanged compared to 31 December 2023. After considering other factors including the operating performance of the properties, the prevailing local market outlook and the remaining lease terms of the leased properties, the Group recognised the net fair value gain on investment properties amounted to S\$61,558,000 (1H 2023: S\$5,417,000) with the breakdown as follows:

	<b>Group</b>	
	<b>1H 2024</b>	<b>1H 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Net fair value gain in relation to investment properties	72,280	14,624
Net fair value loss in relation to ROU assets classified as investment properties	(10,722)	(9,207)
Total	<b>61,558</b>	<b>5,417</b>

**p) Property, plant & equipment**

During the six months ended 30 June 2024, the additions and disposals of the Group's property, plant and equipment amounted to S\$2,024,000 (2023: S\$3,809,000) and S\$12,000 (2023: S\$46,000) respectively.

**q) Borrowings**

	Group		Company	
	30 Jun 2024 \$'000	31 Dec 2023 \$'000	30 Jun 2024 \$'000	31 Dec 2023 \$'000
(i) Amount repayable in one year or less, or on demand				
Secured	48,775	56,551	-	-
Unsecured	11,368	2,357	10,596	1,583
Sub Total	60,143	58,908	10,596	1,583
(ii) Amount repayable after one year				
Secured	453,093	458,447	-	-
Unsecured	140,497	140,057	117,568	125,128
Sub Total	593,590	598,504	117,568	125,128
Total borrowings	653,733	657,412	128,164	126,711

(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.

**r) Share capital and treasury shares**

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

Total number of issued shares excluding treasury shares

Company	
30 Jun 2024	31 Dec 2023
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 30 June 2024 and 30 June 2023, 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 30 Jun 2024	As at 30 Jun 2023
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%

**s) 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 period ended 30 June 2024.

**t) Capital commitments**

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

	<b>Group</b>	
	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment	228	16
Investment properties	57,251	61,736

**u) Non-IFRS measure**

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

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

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

In relation to fair value changes:

- i) Fair value gain on investment properties including those of associated companies. 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.
- 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.

The above-mentioned adjusting items do not arise from the normal Company's operations and were reported on the Condensed Interim Consolidated Income Statement for the six months ended 30 June 2024 together with the comparative figures for the six months ended 30 June 2023. 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) First half review – 1H 2024 vs 1H 2023

The Group's revenue increased 27% to S\$124.4 million in the first half-year ended 30 June 2024 ("1H 2024"), from S\$97.9 million reported in the first half-year ended 30 June 2023 ("1H 2023").

The higher Group revenue was attributable to the continued positive rental rate revisions in both Purpose-Built Workers Accommodation ("PBWA") and Purpose-Built Student Accommodation ("PBSA") portfolio globally as well as increased occupancies across its properties in Singapore, United Kingdom ("UK") and Australia.

Financial occupancy for the Group's Singapore PBWA, which consist of five Purpose-Built Dormitories ("PBDs") and four Quick Build Dormitories ("QBDs") increased from 98% in 1H 2023 to 99% in 1H 2024. Revenue from Singapore was an increase of 34% or S\$21.4 million from S\$63.8 million to S\$85.1 million, as tenancies due for renewal during 1H2024 were renewed at higher prevailing market rates.

In Malaysia, the average financial occupancy was 90% in 1H 2024, a reduction from 94% in 1H 2023 as its portfolio bed capacity expanded due to its AEI initiatives. This includes the 770 beds newly added at Westlite Senai in 4Q 2023, where occupancy is being progressively ramped up. Malaysia revenue reported in 1H 2024 was S\$9.5 million compared to S\$9.9 million for 1H 2023, due primarily to the weaker Malaysian ringgit registered in 1H 2024 as compared to 1H 2023, which translated to a lower revenue when reported in Singapore dollars. In its local currency of Malaysian ringgit, Malaysian revenue increased by 2% as compared to 1H 2023 mainly driven by positive rental revisions.

The average occupancy in the Group's UK PBSA has increased from 90% in 1H 2023 to 99% in 1H 2024, coupled with positive rental revisions arising from increased demand from both domestic and international students. UK revenue reported in 1H 2024 increased 26% to S\$20.8 million, compared to S\$16.6 million in 1H 2023.

In Australia, average financial occupancy of the Group's Adelaide and Melbourne assets improved from 86% in 1H 2023 to 94% in 1H 2024 with the return of international students to Australia. Australian PBSA revenue grew 20% from S\$6.9 million to S\$8.2 million in 1H 2024, boosted by healthy rental revisions.

Consequently, the Group's gross profit increased 34% from S\$70.4 million in 1H 2023 to S\$94.1 million in 1H 2024, mainly because of revenue growth due to improvement in financial occupancy and rental rates.

Other income reduced by S\$0.3 million largely due to government grant income.

Administrative expenses increased by S\$3.9 million due to expanded business operations. Finance expenses increased marginally by S\$64,000 due to a higher interest rate environment that was offset by reduced borrowings.

Share of profit of associated companies and joint venture increased by S\$20.9 million, largely due to fair value gains, positive rental rate revisions and high occupancy at Westlite Mandai as well as the absence of fair value adjustments on the assets held by the Centurion US Student Housing Fund ("CUSSHF" or "Fund") in 1H 2024 as compared to a fair value loss recorded by the Fund in 1H 2023.

Net change in fair value of investment properties in 1H 2024 mainly relates to the valuation movements on the Group's investment properties as at 30 June 2024, based on management assessments made in consultation with the independent valuers who had carried out the valuation of the investment properties as at the last financial year end, as well as the adjustment of fair value of right-of-use ("ROU") investment properties that were leased as at 30 June 2024, in accordance with SFRS(I) 16 Leases.

The net fair value gain of S\$61.6 million in 1H 2024 was mainly recorded in the Group's investment properties in view of stronger operating performance and offset against the adjustment of fair value of the ROU investment properties. This was compared to a fair value gain of S\$5.4 million in 1H 2023 arising mainly from investment properties in Singapore and Malaysia.

Income tax expenses increased by \$11.6 million mainly due to the higher profit and deferred income tax from fair value changes of investment properties.

Accordingly, net profit after tax derived from the Group's operations for 1H 2024 was S\$127.7 million, as compared to S\$42.4 million in 1H 2023.

Excluding fair value adjustments, net profit derived from core business operations was S\$53.4 million in 1H 2024, which was 48% higher than the S\$36.0 million reported in 1H 2023.

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

Cash and Bank Balances increased by S\$15.8 million largely due to cash generated from operating activities and proceeds from the disposal of Westlite Bukit Minyak to Kumpulan Wang Persaraan ("KWAP"), Malaysia's public services pension fund.

Trade and other receivables increased by S\$11.9 million mainly due to advances made to participate in a project that is under evaluation.

Assets held for sale reduced by S\$23.1 million with the disposal of Westlite Bukit Minyak completed in 1H 2024. Investments in associated companies increased by S\$23.5 million due to profits in 1H 2024.

Investment properties increased by S\$126.7 million largely due to the fair value gains, capitalised expenditure on assets under development as well as recognition of right-of-use asset in Westlite Bukit Minyak upon the completion of the sale and leaseback with KWAP.

Lease liabilities increased by S\$24.1 million from the added right-of-use assets in Westlite Bukit Minyak and two master leases for dwell Prince Edward and dwell Ho Man Tin in Hong Kong, China.

### **Borrowings & Gearing**

The Group's borrowings reduced from S\$657.4 million as at 31 December 2023 to S\$653.7 million as at 30 June 2024, due primarily to repayment of borrowings during the period.

The Group's net gearing ratio was 34% as at 30 June 2024, as compared 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 5 years. The Group uses long-term bank debt with regular principal repayments to finance its long-term assets.

As at 30 June 2024, the Group's balance sheet remained healthy with S\$90.5 million in cash and bank balances. The Group has unutilised committed credit facilities of S\$82.7 million (of which S\$72.4 million relates to unutilised committed credit facilities expiring more than 12 months after balance sheet date) to meet the net current liabilities of S\$18.5 million as at 30 June 2024.

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

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

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

In 1H 2024, the Group generated a positive cash flow of S\$52.8 million from operating activities.

Net cash provided by investing activities amounted to S\$6.3 million, mainly due to proceeds from disposal of Westlite Bukit Minyak offset against cash paid for the Westlite Ubi and Westlite Toh Guan projects.

The Group recorded net cash used in financing activities of S\$43.7 million mainly due to repayment of borrowings, interest, principal portion of lease liabilities and dividends paid during the period.

**9. (a) Earnings per share**

	<b>Group</b>	
	<b>1H 2024</b>	<b>1H 2023</b>
Net profit attributable to equity holders of the Company (S\$'000)	118,208	38,301
Net profit from core business operations attributable to equity holders of the Company (S\$'000)	48,488	33,043
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,779	840,779
<u>Earnings per ordinary share:</u>		
(i) Basic earnings per share (cents)	14.06	4.56
(ii) Diluted earnings per share (cents)	14.06	4.56
<u>Earnings per ordinary share based on core business operations:</u>		
(i) Basic earnings per share (cents)	5.77	3.93
(ii) Diluted earnings per share (cents)	5.77	3.93

**(b) Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024</b>	<b>31 Dec 2023</b>
Net asset value per ordinary share (see note below)	S\$1.12	S\$0.98	36.35 cents	36.28 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 30 June 2024 and 31 December 2023.

**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 30 June 2024, Centurion operates a diversified portfolio of 32 operational purpose-built workers and student accommodation assets (“PBWA” and “PBSA” respectively), comprising 66,495 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.

The outlook for PBWAs in Singapore continues to be positive, supported by strong financial occupancy numbers and healthy rental revisions. Tenancies due for renewal during 1H2024 were renewed at higher prevailing market rates, yielding a positive impact on Singapore’s PBWA performance. Moreover, the average financial occupancy increased by one percentage point to 99% in 1H 2024. As a result, Singapore’s PBWA revenue increased 34% in 1H 2024, compared to 1H 2023.

While rental rate revisions have begun to moderate, market rates are expected to maintain at healthy levels going forward as demand remains robust in the near term. The Building and Construction Authority (BCA) is expected to award construction contracts amounting to between \$32 billion to \$38 billion from 2025 to 2028<sup>1</sup>, providing a positive tailwind for PBWA demand.

The Group continues to work towards enlarging its Singapore portfolio capacity to capture the rising worker housing needs driven by the robust demand for dormitory beds in Singapore. A healthy portfolio pipeline is underway to deliver a steady supply of both newly constructed and redeveloped PBD beds, which will be fully compliant with the Dormitory Transition Scheme (“DTS”) Interim Standards and New Dormitory Standards (“NDS”) laid down by the MOM<sup>2</sup>.

The new Westlite Ubi development is expected to be operational by December 2024 and will add approx. 1,650 beds to the Group’s portfolio.

As part of its longer-term plans to transition to new regulatory standards, the Group has commenced redevelopments at two PBDs, adding a new block each in Westlite Toh Guan and Westlite Mandai. The redevelopments are expected to add approx. 5,460 beds by 2026, with Westlite Toh Guan adding approx. 1,764 beds and Westlite Mandai adding approx. 3,696 beds. The Group has targeted the redevelopments to complete before the DTS commencing from 2027 to minimize disruption from retrofitting works in existing blocks. The new blocks will serve as “swing sites” for residents while other blocks undergo retrofitting works.

#### **Malaysia**

In Malaysia, the Group manages eight PBWAs which are in the states of Johor in the South, Penang in the North and Selangor in Central Malaysia. These states have the largest foreign worker population in the country’s manufacturing sector, which accounts for approx. 35% of Malaysia’s two million foreign workers<sup>3</sup>.

Regulatory enforcement of the Workers’ Minimum Standards of Housing and Amenities (Amendment) Act 2019 (“Act 446”), coupled with international ethical pressures and growing awareness for the need to improve welfare of migrant worker populations, has led to increased demand for well-designed, professionally managed PBWAs (or Centralized Living Quarters) in Malaysia.

The Group’s Malaysia PBWA portfolio bed capacity was 27,373 as of 30 June 2024. Average financial occupancy declined from 94% in 1H 2023 to 90% in 1H 2024, including 770 beds newly added at Westlite Senai in 4Q 2023, where occupancy is being progressively ramped up.

Demand for quality PBWAs that conform to Act 446 continue to support a healthy outlook for PBWAs in Malaysia. The Group continues to focus on expanding its portfolio capacity to capture the expected strong demand.

#### **Remarks:-**

1. <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
2. <https://www.mom.gov.sg/newsroom/press-releases/2023/1011-dts>, MOM, 11 Oct 2023
3. <https://www.channelnewsasia.com/asia/malaysia-foreign-worker-dependence-jobs-labour-4034881>, Channel News Asia, 11 Jan 2024

An Asset Enhancement Initiative (“AEI”) is in progress at Westlite Senai II, which will add approx. 920 beds on completion in 4Q 2024. Two further AEIs are planned at Westlite Pasir Gudang and Westlite Johor Techpark, to add approx. 950 beds and approx. 1,740 beds respectively in 2025.

In December 2023, the Group acquired the remaining shares in the associated company, Oriental Amber Sdn Bhd, which holds a plot of land in Nusajaya, Iskandar, Johor. The Group is currently evaluating the development of a new PBWA with approx. 7,000 beds.

## China

In July 2024, the Group made its maiden foray into China’s PBWA market. The Group has secured a master lease of five years and 11 months, with an option to renew for a further term of five years, for an existing property in Hong Kong’s Sheung Shui, New Territories. The property will be retrofitted into a specialized accommodation for foreign workers primarily in the F&B and services sectors.

Managed under the Group’s Westlite Accommodation brand, Westlite Sheung Shui is expected to be operational in November 2024 with a capacity of approx. 550 beds, which will cater to the growing demand for foreign labour in HKSAR. Foreign worker inflows are being driven by the recent implementation of the Enhanced Supplementary Labour Scheme (“ESLS”) by the Hong Kong authorities in September 2023, where 27,000 additional workers are expected to fill up vacancies across 26 job categories, which includes those in the construction and F&B industries<sup>4,5</sup>.

## Student Accommodation

As at 30 June 2024, the Group manages a portfolio of 4,336 beds across 15 operational PBSA assets in Australia, the UK, and the US. While student housing demand and financial occupancies are strong across all markets, UK and Australia, in particular, reported significant upticks in financial occupancy. The improvements were driven by rising student numbers amidst a tight supply of beds in key university cities.

## United Kingdom

Average financial occupancy rates for the Group’s 10 PBSA assets in UK, all of which are strategically located near top universities, have increased by nine percentage points to 99% in 1H 2024. This underscores UK’s popularity for international students pursuing higher education.

According to Knight Frank’s 2Q 2024 UK Student Market Update report<sup>6</sup>, a slowdown in the delivery of new PBSA developments has led to an ongoing shortage in PBSA supply. This shortage has enabled positive rental revisions, resulting in increased revenue for the Group.

UK has recently tightened immigration laws in a move to address student visa abuse, restricting international “students” from bringing family members to the UK<sup>7</sup>. Thus, encouraging a more genuine student-tenant base and benefiting PBSA providers<sup>8</sup>. Universities remain committed to growing international student numbers, spurring continued high demand for PBSA beds.

## Australia

The average financial occupancy for the Group’s PBSA in Australia, which comprises 887 beds in dwell Village Melbourne City and dwell East End Adelaide, improved from 86% in 1H 2023 to 94% in 1H 2024. Occupancies are expected to remain resilient, supported by strong international student inflows. According to The Institute of Public Affairs Australia<sup>9</sup>, close to 55% of Australia’s net new housing supply will be absorbed by international students in 2024.

Similar to the UK, Australia has also taken measures to restrict migration after a substantial spike in student visa numbers resulted in housing concerns across key university cities. Besides more stringent scrutiny of visa applications, Australia has doubled its student visa fee in a bid to maintain the integrity of international students and manage migration numbers<sup>10</sup>.

### Remarks:-

- <https://www.straitstimes.com/asia/east-asia/hong-kong-to-unveil-plan-to-recruit-foreign-labour-amid-shortage-as-business-surges>, The Straits Times, 13 Jun 2023
- <https://www.humanresourcesonline.net/hong-kong-starts-accepting-applications-for-enhanced-supplementary-labour-scheme>, Human Resources Online, 4 Sept 2023
- <https://content.knightfrank.com/research/169/documents/en/uk-student-housing-q2-2024-11358.pdf>, Knight Frank, Q2 2024
- <https://monitor.icef.com/2024/06/home-office-data-confirms-downturn-in-uk-visa-issuances-through-q1-2024/>, ICEF Monitor, 19 Jun 2024
- <https://thepienews.com/analysis/visa-integrity-the-hunt-for-genuine-students/>, The PIE News 4 Jan 2024
- <https://ipa.org.au/wp-content/uploads/2023/07/IPA-Research-Australias-housing-shortage-International-student-intake-exacerbating-nationwide-housing-supply-shortfall-July-2023-FINAL.pdf>, Institute of Public Affairs Australia, Jul 2023
- <https://www.channelnewsasia.com/world/australia-foreign-student-visa-fee-double-migration-crackdown-university-4447691>, CNA, 1 Jul 2024

Australian universities, which rely heavily on international student populations and fees, will need to work with private PBSA operators to address the student housing shortage, to mitigate government concerns and visa management measures. The Group believes this to be a positive tailwind going forward and plans to enlarge its Australia portfolio capacity to tap continued robust demand.

At dwell Village Melbourne City, pending finalization of Development Approval, the Group plans to redevelop an existing carpark into a new block of PBSA of approx. 600 beds. The Group is also evaluating the redevelopment of existing accommodation blocks in dwell Village Melbourne City to further enhance the asset. Additionally, the Group is exploring an opportunity to seek planning approval for a land site in close proximity to RMIT University Melbourne, for approx. 575 PBSA beds.

The Group will continue to explore opportunities for portfolio expansion, including developmental opportunities, in key cities across Australia.

## **United States**

The Group's US portfolio consists of three freehold PBSAs, which are held under the Centurion US Student Housing Fund ("CUSSHF" or "Fund"). Centurion holds approx. 28.7% of the total number of units in issue in CUSSHF and manages the Fund and its assets.

As CUSSHF comes to term in November 2024, the Fund has sold dwell Tenn Street in 2Q 2023. The Fund has also disposed of dwell Logan Square and dwell Stadium View in 2Q 2024. The remaining three portfolio assets continue to deliver healthy financial occupancy.

## **China**

The Group has entered the Hong Kong, China market, securing master leases for two properties in Kowloon in 2Q 2024.

The 2 properties, dwell Prince Edward at Prince Edward Road West and dwell Ho Man Tin at Hung Hom, will be refurbished as PBSAs to offer 66 beds and 89 beds respectively upon expected completion in September 2024. Notably, dwell Prince Edward is refurbished from a historic building that dates to the 1930s, and will be the first "women-only" dormitory in Hong Kong.

Both projects are secured under 5-year master leases with optional extensions of up to 5 additional years.

Hong Kong has increased its quota for non-local post-secondary students from 20% to 40%, as part of government's efforts to position Hong Kong as an international education hub<sup>11</sup>. With non-local enrolment expected to rise and amidst a slow construction environment, Hong Kong faces an estimated shortfall of 40,000 beds for international university students in 2024, and the shortage is expected to increase by 60% by the 2027-2028 academic years<sup>12</sup>.

Restrictions for international students taking on part-time jobs have also been lifted, which will allow students to financially support themselves and assimilate into Hong Kong's job market<sup>13</sup>.

The student-bed ratio is projected to remain above 2:1 for the next 5 years, and rental rate revisions are expected to remain positive for private student accommodation<sup>14</sup>.

## **Looking Ahead**

The Group continues to explore new, promising markets through an asset-light strategy including joint ventures and master leases. This approach minimizes capital commitments and provides flexibility, enabling the Group to allocate capital and resources selectively for strategic, sustained growth.

The Group also actively seeks opportunities to scale and enlarge its capacity in existing markets, including new assets and optimising existing assets to tap evolving needs, including shifting customer preferences and regulatory requirements.

Centurion Group will continue to enhance its assets, operations and reallocate its portfolio to scale and improve operational efficiency, to deliver long-term value to stakeholders.

### Remarks:

11. <https://www.universityworldnews.com/post.php?story=20231025122118185>, University World News, 25 Oct 2023
12. <https://www.scmp.com/business/china-business/article/3257355/hong-kong-faces-shortfall-59500-beds-university-students-creating-opportunity-investors-hotel-owners>, South China Morning Post, 31 Mar 2024
13. [https://www.news.gov.hk/eng/2023/10/20231026/20231026\\_154101\\_683.html](https://www.news.gov.hk/eng/2023/10/20231026/20231026_154101_683.html), News.gov.hk, 26 Oct 2023
14. <https://www.colliers.com/en-hk/news/hong-kongs-tertiary-education-policy-shift-ignites-coliving-growth>, Colliers Research, Apr 2024

## 11. Use of proceeds

Not applicable

## 12. Dividend

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

Any dividend declared for the current financial period reported on ?

Name of Dividend	<u>Interim dividend</u>
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 cents per ordinary share
Currency	SGD
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	<u>Interim dividend</u>
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share
Currency	SGD
Tax Rate	1-tier tax exempt

### (c) **Date Payable**

The interim dividend will be paid on 30 September 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 10 September 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 9 September 2024 will be registered to determine shareholders' entitlements to the interim dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5:00 pm on 9 September 2024 will be entitled to the interim dividend.

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

Not applicable for half year results announcement.

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

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditor, PricewaterhouseCoopers LLP.

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

Not applicable.

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

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

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

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

Not applicable as the Group's latest audited financial statements for the financial year ended 31 December 2023 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

The Group's 1H 2024 results are in line with the commentary of the Company's positive profit guidance announcement dated 6 August 2024.

**19. 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.

**20. 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**

Not applicable for half year results announcement.

**21. 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.



## **22. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of SGX-ST**

On behalf of the Board of Directors of the Company, we, Wong Kok Hoe and Loh Kim Kang David, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half year ended 30 June 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD  
CENTURION CORPORATION LIMITED  
Kong Chee Min  
Chief Executive Officer  
12 August 2024