Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)
(Co. Reg. No.: 198401088W)
SGX Stock Code: OU8
SEHK Stock Code: 6090

TOGETHER IN **STRENGTH**

INTERIM REPORT
2021

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Non-Executive
Han Seng Juan *(Joint Chairman)*

Independent Non-Executive
Gn Hiang Meng *(Lead Independent Director)*
Chandra Mohan s/o Rethnam
Owi Kek Hean
Tan Poh Hong
Lee Wei Loon

CHIEF EXECUTIVE OFFICER
Kong Chee Min

AUDIT COMMITTEE
Gn Hiang Meng *(Chairman)*
Chandra Mohan s/o Rethnam
Owi Kek Hean

NOMINATING COMMITTEE
Owi Kek Hean *(Chairman)*
Tan Poh Hong
Gn Hiang Meng

REMUNERATION COMMITTEE
Chandra Mohan s/o Rethnam *(Chairman)*
Tan Poh Hong
Lee Wei Loon

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

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS
45 Ubi Road 1 #05-01
Singapore 408696

PRINCIPAL BANKERS
United Overseas Bank Limited
Malayan Banking Berhad
DBS Bank Ltd

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Room 5705
57th Floor
The Center
99 Queen's Road Central
Hong Kong

SINGAPORE PRINCIPAL SHARE REGISTRAR
B.A.C.S. Private Limited
8 Robinson Road
#03-00, ASO Building
Singapore 048544
Tel: (65) 6593 4848
Fax: (65) 6593 4847

HONG KONG BRANCH SHARE REGISTRAR
Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

AUDITORS
PricewaterhouseCoopers LLP
Recognised Public Interest Entity Auditor
7 Straits View, Marina One East Tower
Level 12, Singapore 018936

AUDIT PARTNER-IN-CHARGE
Chua Chin San
(Appointed since financial year beginning 1 January 2018)

AUTHORISED REPRESENTATIVES
Wong Kok Hoe
Cheung Yuet Fan

COMPANY WEBSITE
www.centurioncorp.com.sg

STOCK CODES
Singapore: OU8
Hong Kong: 6090

FINANCIAL HIGHLIGHTS

Centurion Corporation Limited (the "Company") is incorporated and domiciled in the Republic of Singapore. The ordinary shares of the Company (the "Shares") are listed and traded on both the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and The Stock Exchange of Hong Kong Limited (the "SEHK").

The Board (the "Board") of Directors of the Company (the "Directors") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2021 ("1H 2021"), together with the relevant unaudited comparative figures for the six months ended 30 June 2020 ("1H 2020").

CONSOLIDATED RESULTS

	1H 2021 $'000	1H 2020 $'000	% change +/(-)
Revenue	**64,727**	66,590	(3)
Gross profit	**43,461**	48,067	(10)
Net profit after tax	**9,098**	23,885	(62)
Profit attributable to equity holders	**8,735**	21,005	(58)
Dividend per share (cents)	–	–	N.M.

NON-IFRS FINANCIAL MEASURES

Profit from core business operations#	**23,957**	23,885	(0)
Profit from core business operations attributable to equity holders	**20,384**	21,005	(3)
Basic earnings per share from core business operations (cents) based on weighted average number of ordinary shares	**2.42**	2.50	(3)

CONDENSED CONSOLIDATED BALANCE SHEET

	Group	
	30 Jun 2021 $'000	31 Dec 2020 $'000
Total equity	**640,930**	628,785
Net assets attributable to the Company's equity holders	**621,721**	605,596
Net borrowings (total borrowings less cash and bank balances)	**667,541**	670,798
Net gearing ratio*	**48%**	48%
Net assets per share attributable to the Company's equity holders (cents)	**73.95**	72.03

\+ *N.M. denotes not meaningful.*
\# *Profit from core business operations is net profit after tax adjusted for fair value changes on investment properties including those of associated company and deferred tax arising from fair value changes.*
* *Net gearing ratio is computed as net borrowings divided by total capital. Total capital is computed as borrowings plus net assets of the Group.*

FINANCIAL HIGHLIGHTS

The reconciliation of IFRS financial measures to non-IFRS financial measures for 1H 2021 and 1H 2020 are as follows:

	1H 2021 $'000	1H 2020 $'000	% change +/(-)
Net profit after tax	**9,098**	23,885	(62)
Adjusted for:			
– Net fair value losses on investment properties	**14,492**	–	N.M.
– Share of associated company's fair value loss on an investment property	**900**	–	N.M.
	15,392	–	N.M.
– Deferred tax arising from fair value changes	**(533)**	–	N.M.
Profit from core business operations	**23,957**	23,885	(0)

	1H 2021 $'000	1H 2020 $'000	% change +/(-)
Profit attributable to equity holders of the Company	**8,735**	21,005	(58)
Adjusted for:			
– Net fair value losses on investment properties	**14,492**	–	N.M.
– Share of associated company's fair value loss on an investment property	**900**	–	N.M.
– Non-controlling interest's share of fair value loss on an investment property	**(3,210)**	–	N.M.
	12,182	–	N.M.
– Deferred tax arising from fair value changes	**(533)**	–	N.M.
Profit from core business operations attributable to equity holders	**20,384**	21,005	(3)

The adjusting items from IFRS financial measures to non-IFRS financial measures include the following transactions:-

i) Fair value changes on investment properties including those of associated company

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

ii) Deferred tax arising from fair value changes

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

The fair value movements has resulted significant fluctuation in the IFRS financial measures of the Group's performance. Correspondingly shareholders may not able to appreciate the Group's financial performance from its core business operations which is the managing and operating of workers and student accommodation.

The Group consider the disclosure of the profit from core business operations with the intention to provide shareholders and potential investors with a clearer understanding of the Group's period-to-period recurring profit derived from the Group's core business operations.

MANAGEMENT DISCUSSION AND ANALYSIS

(A) HALF YEAR 2021 REVIEW – 1H 2021 VS 1H 2020

In the half year ended 30 June 2021 ("1H 2021"), the Group's revenue reduced by 3% to S$64.7 million, from S$66.6 million in the half year ended 30 June 2020 ("1H 2020").

The lower Group revenue was mainly attributable to lower occupancy in the Group's student accommodation portfolio in Australia and the United Kingdom ("UK") due to the impact of the COVID-19 pandemic on international travel.

Australia's state borders were closed to both international and interstate travel to contain the spread of COVID-19, and universities pivoted to delivering courses in a blended mode, via a mix of face-to-face and online teaching. As a result, the average financial occupancy in Australia was 27% for 1H 2021, as compared to 68% in 1H 2020. The COVID-19 pandemic also disrupted travels into the UK, which in turn affected the bookings for student accommodation in the UK for the Academic Year 20/21, resulting in an average financial occupancy rate of 66% for 1H 2021 as compared to 74% in the same period last year.

In Singapore, the revenue for Purpose-Built Workers Accommodation ("PBWA") excluding the three operational Quick Build Dormitories ("QBDs") had reduced, as occupancy declined from 99% in 1H 2020 to 82% in 1H 2021. The demand for PBWA softened due to a reduction in foreign worker numbers as some had returned to their hometowns after the lifting of dormitory lockdowns in 3Q 2020. In addition, some companies sought alternative housing allowed by the government for the interim, such as Temporary Living Quarters, QBDs, Construction Temporary Quarters, and Private Residential Housing.

The reduction in Group revenue was mitigated by revenue contributions from the two QBDs, Westlite Kranji Way, and Westlite Tuas Avenue 2, that commenced operations in 4Q 2020. A third QBD, Westlite Jalan Tukang, commenced operations in 2Q 2021 and is ramping up its occupancy. In addition, the Group recorded an increase of S$3.2 million in other revenue from accommodation business to S$5.2 million in 1H 2021, as compared to S$2.0 million in 1H 2020, which was derived mainly from two Migrant Worker Onboarding Centres ("MWOCs") that commenced operations since March 2021, as well as income from accommodation-related services delivered in the 3 operational QBDs and management fee income from two Factory-Converted Workers Dormitories in Singapore.

In Malaysia, revenue for PBWA improved 24% despite nationwide and localised Movement Control Orders to curb the spread of COVID-19. Excluding the newly-leased asset from Selangor State Development Corporation ("PKNS"), Westlite-PKNS Petaling Jaya, the workers accommodation portfolio in Malaysia achieved higher financial occupancy of 88% as compared to 80% in 1H 2020.

The Group's gross profit reduced by 10% year-on-year, from S$48.1 million in 1H 2020 to S$43.5 million in 1H 2021 mainly due to lower revenue and higher costs incurred from the setting up of new operating and managed sites for workers' accommodation in Singapore and Malaysia.

Other gains/(losses) increased by S$1.4 million, largely due to a write back of trade and other receivables of S$90,000 in 1H 2021 as compared to an allowance of S$1.5 million for the impairment of trade and other receivables in 1H 2020.

Administrative expenses reduced by S$1.9 million as a result of cost management measures to cushion the impact from COVID-19.

Finance expenses decreased by S$0.9 million to S$11.3 million, mainly due to the lower interest rate environment, as compared to 1H 2020.

Share of profit of associated companies and joint venture reduced by S$1.0 million to S$2.6 million in 1H 2021, mainly arising from the fair value loss on the investment properties of Westlite Mandai.

MANAGEMENT DISCUSSION AND ANALYSIS

(A) HALF YEAR 2021 REVIEW – 1H 2021 VS 1H 2020 (CONTINUED)

Net change in fair value of investment properties in 1H 2021 mainly relates to the valuation movements based on management's internal assessment, in consultation with the independent valuers who carried out the valuation of the investment properties as at the last financial year end, on the Group's investment properties as at 30 June 2021 and the adjustment of fair value of right-of-use ("ROU") investment properties in relation to the Group's leased properties as at 30 June 2021, in accordance with SFRS(I) 16 Leases.

Net fair value losses of S$14.5 million which equates to approximately 1.1% of the carrying value of the investment properties as at 30 June 2021, was mainly due to the Group's investment properties in Singapore and Australia where the market conditions and occupancy rates were more affected by COVID-19 and the adjustment of fair value of ROU investment properties, which is in line with the Group's asset light strategy, adding three QBD leases from Jurong Town Corporation (JTC) in Singapore and a workers dormitory, Westlite PKNS in Malaysia operating in 1H 2021.

With the fair value losses on investment properties, the Group's net profit in 1H 2021 was S$9.1 million, a 62% reduction as compared to 1H 2020.

Excluding fair value adjustments, net profit derived from core business operations was S$24.0 million in 1H 2021, which was S$72,000 higher than S$23.9 million in 1H 2020.

(B) REVIEW OF GROUP BALANCE SHEET

Assets

Cash and bank balances reduced by S$4.8 million to S$79.1 million as at 30 June 2021, largely due to the redemption of the remaining fixed rate notes due 2022 issued by the Company ("Series 004 Notes") of S$12.25 million in February 2021.

Trade and other receivables increased by S$2.8 million, mainly arising from the new operations started in QBDs and MWOCs.

Financial assets, at fair value through other comprehensive income, reduced by S$3.1 million due to fixed income investments had been matured.

Investment properties increased by S$21.7 million largely due to the additions of right-of-use assets in Westlite Jalan Tukang QBD in Singapore of S$21.4 million, Westlite Tampoi PBWA under development in Malaysia and the PBSAs, dwell MSV and dwell MSV South under asset enhancements works in the UK. This increase is offset by the fair value losses on investment properties of S$14.5 million.

Lease liabilities increased by S$15.1 million to S$110.2 million mainly due to the commencement of Westlite Tukang QBD lease from JTC in 1H 2021.

Borrowings & Gearing

The Group's borrowings reduced from S$754.7 million to S$746.6 million, largely due to the redemption of the Series 004 Notes.

As at 30 June 2021, the Group had net current liabilities of S$28.5 million. The Group currently has sufficient cash resources and banking facilities of S$188.6 million to meet its current liabilities.

The Group's net gearing ratio was 48% as at 30 June 2021, similar to the gearing ratio as at 31 December 2020. The Group's acquired operating assets and assets under development are primarily funded through bank borrowings, which has an average remaining maturity profile of six years. The Group uses long-term bank debt with regular principal repayments to finance its long-term assets.

As at 30 June 2021, the Group's balance sheet remained healthy with S$79.1 million in cash and bank balances.

MANAGEMENT DISCUSSION AND ANALYSIS

(B) REVIEW OF GROUP BALANCE SHEET (CONTINUED)

As at 30 June 2021, the carrying amounts of the Group's cash and bank balances and borrowings are denominated in the below currencies:-

	SGD S$'000	GBP S$'000	AUD S$'000	MYR S$'000	USD S$'000	KRW S$'000	Other S$'000	Total S$'000
As at 30 June 2021								
Cash and bank balances	59,029	12,760	3,634	2,078	588	452	544	79,085
Borrowings	524,453	130,645	64,863	26,616	–	49	–	746,626
As at 31 December 2020								
Cash and bank balances	63,944	8,923	4,658	2,066	3,391	230	656	83,868
Borrowings	540,897	122,927	65,545	25,247	–	50	–	754,666

FOREIGN EXCHANGE EXPOSURE

The Group operates in Singapore, Malaysia, United Kingdom, Australia, South Korea and the United States of America.

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as Great Britain Pound ("GBP"), Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), South Korean Won ("KRW"), United States Dollar ("USD") and Hong Kong Dollar ("HKD"). In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Exposures to foreign currency risks are managed as far as possible by natural hedges and monitoring to ensure the exposure is minimised.

INTEREST RATE EXPOSURE

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate after taking into consideration the hedging premium, the Group may purchase derivatives such as interest rate swaps to manage its interest rate exposure. The Group's main interest rate exposure relates to borrowings denominated in Singapore Dollar, Great Britain Pound, Australian Dollar and Malaysian Ringgit borrowings.

As at 30 June 2021, approximately 70% of the Group's total bank borrowings and other debts were at floating rates and the remaining 30% were at fixed rates (31 December 2020: 68% floating; 32% fixed).

(C) REVIEW OF GROUP STATEMENT OF CASH FLOWS

In 1H 2021, the Group generated a positive cash flow of S$28.8 million from operating activities.

Net cash used in investing activities amounted to S$1.8 million, mainly due to the additions to investment properties and property, plant and equipment.

The Group recorded net cash used in financing activities of S$31.5 million mainly for repayment of borrowings, interest and principal portion of lease liabilities paid during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK

As at 30 June 2021, Centurion operates a diversified portfolio of 35 operational purpose-built workers and student accommodation assets ("PBWA" and "PBSA" respectively), comprising 76,968 beds diversified across Singapore, Malaysia, Australia, South Korea, the United Kingdom ("UK") and the United States ("US").

Workers Accommodation

Singapore

The Group operates eight Purpose Built Worker Accommodation ("PBWA"), including five Purpose-Built Dormitories ("PBDs") and three Quick-Build Dormitories ("QBDs"), with approximately 34,000 beds in Singapore. Excluding QBDs, the financial occupancy for its PBDs rose from 79% as at the end of last year to an average of 82% for 1H 2021, underpinned by a calibrated return of migrant workers. However, the recovery in occupancy during the first half of 2021 was affected by the imposition of travel restrictions to curb the spread of COVID-19 and its variants, thus resulting in an average financial occupancy of 82% for 1H 2021, lower than the 99% for 1H 2020. Notwithstanding these headwinds, the Group expanded its portfolio by asset-light means. Two QBDs comprising 2,320 beds, namely Westlite Kranji Way and Westlite Tuas Avenue 2, commenced operations towards the end of 4Q 2020 and have ramped up healthily over 1H 2021, while a third QBD comprising 3,420 beds, Westlite Jalan Tukang, commenced operations in 2Q 2021 and is in the process of ramping up its occupancy. A fourth QBD, Westlite Tuas South Boulevard, comprising 628 beds, is expected to commence operations in 4Q 2021. Due to travel restrictions, there is currently an acute shortage of migrant workers manpower in supporting the construction, marine and process industries. Demand for the workers accommodation in Singapore is expected to improve when restrictions are gradually lifted as vaccination rates in Singapore reach the targeted level. The Group continues to be in dialogue with the Government on future dormitory specifications for enhanced living standard and public health resilience, for which the Government has announced that an adjustment period will be provided[1].

Malaysia

Centurion operates approximately 37,000 beds across eight PBWA assets in Johor, Penang and Selangor. Excluding the newly leased Westlite – PKNS Petaling Jaya in Selangor, the average financial occupancy rate in Malaysia strengthened from 80% in 1H 2020 to 88% for 1H 2021. The reinstatement of Movement Control Orders ("MCOs") across different states to prevent a COVID-19 contagion restricted the movements of the migrant workers. Westlite Malaysia is also working with the Department of Labour Peninsular Malaysia ("JTKSM") on certification of its properties in relation to the Workers' Minimum Standards of Housing and Amenities Act[2], amid the increasing pressures on employers to provide better living conditions for their migrant workers. The retrofitting works for one of the two blocks acquired in 4Q 2020 at Westlite Pasir Gudang has been completed and added 420 beds to the portfolio during the period. The remaining block, comprising an additional 420 beds is expected to be operational in 4Q 2021. For the Asset Enhancement Initiative ("AEI") at Westlite Tampoi, development works to add 3,600 beds have been completed and is now pending Certification of Completion and Compliance ("CCC"). The new pipeline beds from these two assets are expected to commence operations within this year. Demand for the Group's accommodation is expected to remain strong with the implementation of the new standards by JTKSM.

Remarks:
1. Source: CNA – Our New Normal: How COVID-19 Has Changed Singapore, 29 Mar 2021
2. Source: Today Online – Malaysia enforces requirement for improved worker accommodation to rein in Covid-19, 18 February 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Student Accommodation

As at 30 June 2021, the Group had a portfolio of 6,064 beds across 19 operational PBSA assets in Australia, South Korea, the UK and the US. Bookings and financial occupancy in the Group's PBSAs in Australia and the UK were affected by travel restrictions and a pivot by universities to deliver courses via a mix of face-to-face and online teaching given the COVID-19 pandemic. In early June 2021, the Group ceased operations of dwell Selegie in Singapore when it declined the option for the third and final 2-year lease extension.

United Kingdom

The Group's UK portfolio, which comprises 10 assets that are strategically located near top universities, achieve occupancy rate of 66% in 1H 2021. As movement controls and travel restrictions are progressively lifted in the UK, the Group is seeing recovery in demand from both domestic and international students and is receiving increasing enquires and bookings for Centurion's PBSA assets. The Group has currently pre-leased more than half of its bed capacity for the upcoming Academic Year 2021/2022. In February 2021, the UK Government reaffirmed its aims to recruit 600,000 international higher education students annually and increase education exports to £35 billion a year by 2030[3].

Australia

In Australia, travel restrictions to contain COVID-19 continues to restrict international student demand, with greater impact in Melbourne than in Adelaide. The implementation of interstate travel restrictions within Australia also contributed to continued pressures on occupancies. As a result, the portfolio in Australia delivered an average financial occupancy of 27% for 1H 2021. During this time, the Australian portfolio has offered short term leases and where possible, to non-student residents. Nonetheless, the prospects for student accommodation in the long term remain bright and occupancies are expected to recover once travel is allowed to resume.

South Korea

In South Korea, with borders opened, dwell Dongdaemun reported higher average financial occupancy of 55% for 1H 2021, as compared to 25% for 1H 2020, driven mainly by international students pursuing exchange and language programmes in Seoul.

United States

In the US, the Group's US assets cater mainly to domestic students, and international students constitute less than 2% of the US portfolio occupancy. For 1H 2021, the average financial occupancy showed an improvement over the same period last year. The Group is also seeing an increase in bookings for Academic Year 2021/2022 compared to last year. The performance of this portfolio is expected to continue to improve with increased and active management.

Looking Ahead

Although global growth is recovering, the recovery from the pandemic is uneven and fragile, as new variants and re-infection risks continue to pose a public health risk amid uneven vaccine rollouts, and travel restrictions have not been lifted completely. Despite the continuing disruption from COVID-19, the financial occupancy rates in the Group's PBWA and PBSA assets are experiencing gradual recoveries, except in Australia. As business and travel activities resume, the occupancy levels in the Group's strategically located assets are expected to improve as well. Nonetheless and notwithstanding uncertainties from COVID-19, the Group will continue to prudently enlarge its portfolio and expand its revenue streams, strategically and where sensible.

Remarks:
3. Source: UK Parliament House of Commons Library – International and EU students in higher education in the UK FAQs, 15 February 2021

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S ("CEO") INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Under Section 164 of the Companies Act (Chapter 50) of Singapore

(a) According to the register of directors' and CEO's shareholdings kept by the Company under Section 164 of the Companies Act (Chapter 50) of Singapore, none of the Directors and CEO holding office as at 30 June 2021 had any interest in the Shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of Director/CEO		Holdings in which Director/CEO is deemed to have an interest	
	At 30.6.2021	At 1.1.2021	At 30.6.2021	At 1.1.2021
Centurion Corporation Limited				
(No. of ordinary shares)				
Gn Hiang Meng	**–**	–	**247,500**	247,500
Loh Kim Kang David(i)	**37,986,350**	37,986,350	**425,956,126**	425,956,126
Han Seng Juan	**33,877,600**	33,877,600	**433,703,626**	433,703,626
Wong Kok Hoe	**10,000,000**	10,000,000	**–**	–
Teo Peng Kwang(ii)	**63,723,330**	63,723,330	**–**	–
Kong Chee Min (CEO)(iii)	**172,905**	172,905	**–**	–
Ultimate Holding Corporation – Centurion Global Ltd				
(No. of ordinary shares)				
Loh Kim Kang David	**8,086**	8,086	**–**	–
Han Seng Juan	**8,086**	8,086	**–**	–
Immediate Holding Corporation – Centurion Properties Pte Ltd				
(No. of ordinary shares)				
Loh Kim Kang David	**–**	–	**10,000,000**	10,000,000
Han Seng Juan	**–**	–	**10,000,000**	10,000,000

Notes:

(i) As at 30 June 2021, Loh Kim Kang David also has a direct interest in the Fixed Rate Notes due 2024 issued by the Company on 12 October 2020 ("Fixed Rate Notes due 2024") for an aggregate principal amount of S$500,000 (as at 1 January 2021: Direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S$500,000).

(ii) As at 30 June 2021, Teo Peng Kwang also has a direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S$3,000,000 (as at 1 January 2021: Direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S$3,000,000).

(iii) As at 30 June 2021, Kong Chee Min also has a direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S$1,500,000 (as at 1 January 2021: Direct interest in the Fixed Rate Notes due 2024 for an aggregate principal amount of S$1,500,000).

(b) Loh Kim Kang David and Han Seng Juan, who by virtue of their individual interest of not less than 20% of the issued capital of the Company, are deemed to have an interest in the shares of the subsidiaries held by the Company.

DISCLOSURE OF INTERESTS

Under Section 352 of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) ("SFO")

As at 30 June 2021, the interests and short positions of the Directors and CEO of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the SEHK pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, otherwise have been notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the SEHK (the "HK Listing Rules"), are as follows:

Long positions in the Shares and underlying shares of the Company

	Direct Interest			Deemed Interest			Total Interest	
	Capacity/ Nature of interest	No. of Shares	%(2)	Capacity/ Nature of interest	No. of Shares	%(2)	No. of Shares	%(2)
Loh Kim Kang David	Beneficial owner	37,986,350(L)(4)	4.52	Interest of controlled corporation	425,756,126(L)(3)	50.64	463,942,476(L)(10)	55.18
				Interest of spouse	200,000(L)(5)	0.02		
Han Seng Juan	Beneficial owner	33,877,600(L)(7)	4.03	Interest of controlled corporation	425,756,126(L)(6)	50.64	467,581,226(L)(11)	55.61
				Interest of spouse	7,947,500(L)(8)	0.94		
Gn Hiang Meng	–	–	–	Interest of spouse	247,500(L)(9)	0.03	247,500(L)	0.03
Teo Peng Kwang	Beneficial owner	63,723,330(L)(12)	7.58	–	–	–	63,723,330(L)	7.58
Wong Kok Hoe	Beneficial owner	10,000,000(L)(13)	1.19	–	–	–	10,000,000(L)(13)	1.19
Kong Chee Min (CEO)	Beneficial owner	172,905(L)	0.02	–	–	–	172,905(L)	0.02

Notes:

(1) The letter "L" denotes the person's long position in the relevant Shares.

(2) Based on 840,778,624 issued Shares as at 30 June 2021.

(3) Loh Kim Kang David ("Mr Loh") holds a 50% shareholding interest in Centurion Global Ltd ("Centurion Global"). Centurion Properties Pte Ltd ("Centurion Properties") is a wholly-owned subsidiary of Centurion Global. Mr Loh is, therefore, deemed to have an interest in 425,756,126 Shares held by Centurion Properties.

(4) Of the 37,986,350 Shares held by Mr Loh, 15,837,450 Shares are registered in the name of UOB Kay Hian Private Limited, 1,700,000 Shares are registered in the name of Raffles Nominees (Pte.) Limited, 14,903,900 Shares are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd, 4,000,000 Shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited, 1,345,000 Shares are registered in the name of Standard Chartered Bank (Hong Kong) Ltd and 200,000 Shares are registered in his own name.

(5) Mr Loh is also deemed to have an interest in 200,000 Shares held by his spouse, Wong Wan Pei.

DISCLOSURE OF INTERESTS

(6) Han Seng Juan ("Mr Han") holds a 50% shareholding interest in Centurion Global. Mr Han is, therefore, deemed to have an interest in 425,756,126 Shares held by Centurion Properties, a wholly-owned subsidiary of Centurion Global.

(7) Of the 33,877,600 Shares held by Mr Han, 5,898,400 Shares are registered in the name of Citibank Nominees Singapore Pte Ltd, 2,370,700 Shares are registered in the name of UOB Kay Hian Private Limited, 3,239,000 Shares are registered in the name of Kim Eng Securities (Hong Kong) Limited, 9,026,000 Shares are registered in the name of UBS Securities (Hong Kong) Limited, 402,300 Shares are registered in the name of Oversea-Chinese Bank Nominees Pte Ltd, 3,388,500 Shares are registered in the name of Maybank Kim Eng Securities Pte Ltd, 5,193,700 Shares are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd, 2,785,000 Shares are registered in the name of CGS-CIMB Securities (Hong Kong) Limited, 49,000 Shares are registered in the name of UOB Kay Hian (Hong Kong) Limited and 1,525,000 Shares are registered in his own name.

(8) Mr Han is also deemed to have an interest in 7,947,500 Shares held by his spouse, Kang Lee Cheng Susanna.

(9) Gn Hiang Meng is deemed to have an interest in 247,500 Shares held by his spouse, Loo Bee Hoon.

(10) Of these Shares, 34,741,350 Shares held by Mr Loh and 95,000,000 Shares held by Centurion Properties as his deemed interest have been pledged to independent third party financial institution(s).

(11) Of these Shares, 21,246,300 Shares held by Mr Han and 95,000,000 Shares held by Centurion Properties as his deemed interest have been pledged to independent third party financial institution(s).

(12) Of the 63,723,330 Shares held by Teo Peng Kwang, 40,270,164 Shares are registered in the name of DBS Bank Ltd, 16,000,000 Shares are registered in the name of Deutsche Bank AG, 7,356,916 Shares are registered in the name of Deutsche Bank and 96,250 Shares are registered in the name of United Overseas Bank Nominees Pte Ltd.

(13) The 10,000,000 Shares held by Wong Kok Hoe are registered in the name of CGS-CIMB Securities (Singapore) Pte Ltd and have been pledged to independent third party financial institution(s).

Interest in debentures of the Company

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

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

Note:

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

Save as disclosed above, as at 30 June 2021, none of the Directors or CEO of the Company or their respective associates had registered an interest or short position in the Shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he had taken or deemed to have under such provisions of the SFO) or was required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the SEHK pursuant to the Model Code.

DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' (OTHER THAN A DIRECTOR OR CEO OF THE COMPANY) INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2021, as far as the Directors are aware, the persons or entities (other than a Director or CEO of the Company) who have interests or short positions in the Shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Long position in the Shares

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Centurion Properties Pte Ltd(2)	425,756,126	50.64	–	–	425,756,126	50.64
Centurion Global Ltd(3)	–	–	425,756,126	50.64	425,756,126	50.64

Notes:

(1) Based on 840,778,624 issued Shares as at 30 June 2021.

(2) Of the 425,756,126 Shares held by Centurion Properties, 20,000,000 Shares are registered in the name of Raffles Nominees (Pte.) Limited, 95,000,000 Shares are registered in the name of UOB Kay Hian Private Limited and 310,756,126 Shares are registered in its own name.

(3) Centurion Properties is a wholly-owned subsidiary of Centurion Global. Centurion Global is, therefore, deemed to have an interest in 425,756,126 Shares held by Centurion Properties. Centurion Global is owned equally by Mr Loh (Executive Director, Joint Chairman of the Board and a controlling shareholder of the Company) and Mr Han (Non-Executive Director, Joint Chairman of the Board and a controlling shareholder of the Company).

Save as disclosed above, as at 30 June 2021, there is no person or entity (other than a Director or CEO of the Company) which has an interest or short position in the Shares and underlying shares of the Company which have been disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, there were 532 (30 June 2020: 398) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for 1H 2021 were approximately S$12,144,000 (1H 2020: S$12,315,000). Staff remuneration packages are determined based on each employee's qualifications, experience, position and seniority.

The Group also provides other staff benefits including medical and Group Personal Accident insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and the Group's results of operations.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company during 1H 2021 except that the fixed rate notes due 2022 of the aggregate outstanding principal amount of S$12,250,000 were fully redeemed by the Company at 100 per cent of the said principal amount together with the interest accrued thereof, on 1 February 2021.

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

Save as disclosed in the interim report, there was no material acquisition and significant investments held for 1H 2021.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition and disposal for 1H 2021.

SHARE CAPITAL

Details of the Company's issued share capital during 1H 2021 are set out in Note 22 to this interim report. There were no movements in the Company's issued share capital during the period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this interim report, the Company has maintained the prescribed minimum percentage of public float from 1 January 2021 to 30 June 2021 under the HK Listing Rules and the Listing Manual of the SGX-ST.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three (3) Independent Non-Executive Directors, as follows:

Gn Hiang Meng *(Chairman)*
Chandra Mohan s/o Rethnam
Owi Kek Hean

The Audit Committee has reviewed the Group's unaudited interim report for 1H 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

The Company has adopted the principles and practices of corporate governance in line with the Principles and Provisions as set out in the Singapore Code of Corporate Governance 2018 (the "2018 Code") and the applicable code provisions of the Corporate Governance Code (the "HK CG Code") as set out in Appendix 14 to the HK Listing Rules.

In the event of any conflict between the 2018 Code and HK CG Code, the Company will comply with the more stringent requirements. Throughout 1H 2021, the Company has complied with applicable provisions in the 2018 Code and HK CG Code, except those appropriately justified and disclosed.

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

In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST and the Model Code as set out in Appendix 10 to the HK Listing Rules, the Company has adopted the Code of Best Practices on Securities Transactions by the Company and its Directors and Officers as its code for securities transactions by its Directors and Officers pursuant to the Listing Manual of the SGX-ST and the Model Code's best practices on dealings in securities. In furtherance, specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout 1H 2021.

The Company, the Directors and its Officers are not allowed to deal in the Company's securities at all times whilst in possession of unpublished price sensitive information and during the "closed" window period as defined in the Company's Code of Best Practices on Securities Transactions by the Company and its Directors and Officers.

Directors, officers and employees have also been directed to refrain from dealing in the Company's securities on short-term considerations.

The Directors, Management and officers of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading period or they are in possession of unpublished price-sensitive information of the Company and they are not to deal in the Company's securities on short-term considerations.

CHANGES OF INFORMATION OF DIRECTORS

Changes of information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the HK Listing Rules since the date of the 2020 Annual Report are set out below:

Ms Tan Poh Hong has resigned as a Director of Barramundi Asia Pte Ltd with effect from 29 April 2021 and has been appointed as a Director of OTS Holdings Pte Ltd (now known as OTS Holdings Limited, the shares of which are listed on the Catalist Board of SGX-ST (Stock Code: OTS)) with effect from 19 May 2021.

INTERIM DIVIDEND

The Board has not declared an interim dividend in respect of 1H 2021 (1H 2020: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The consolidated financial results for 1H 2021 of the Group have not been audited or reviewed by the auditors of the Company.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for 1H 2021.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

By Order of the Board
Centurion Corporation Limited
Wong Kok Hoe
Deputy Chairman and Executive Director

6 September 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	For the six months ended 30 June 2021 $'000 (unaudited)	For the six months ended 30 June 2020 $'000 (unaudited)
Revenue	4	**64,727**	66,590
Cost of sales		**(21,266)**	(18,523)
Gross profit		**43,461**	48,067
Other income	5	**2,355**	2,142
Other gains/(losses) – net*			
– Write back/(allowance for) impairment of trade and other receivables	6	**90**	(1,476)
– Others	6	**(5)**	202
Net fair value losses on investment properties		**(14,492)**	–
Expenses			
– Distribution expenses		**(617)**	(666)
– Administrative expenses*		**(9,760)**	(11,687)
– Finance expenses	7	**(11,328)**	(12,239)
Share of profit of associated companies and joint venture		**2,600**	3,606
Profit before income tax		**12,304**	27,949
Income tax expense	8	**(3,206)**	(4,064)
Total profit		**9,098**	23,885
Profit attributable to:			
Equity holders of the Company		**8,735**	21,005
Non-controlling interests		**363**	2,880
		9,098	23,885
Earnings per share for profit attributable to the equity holders of the Company			
Basic earnings per share (cents)	9(a)	**1.04**	2.50
Diluted earnings per share (cents)	9(b)	**1.04**	2.50

* Certain balances have been reclassified for presentation purpose. Accordingly, the Comparatives have been restated for consistency. Refer to Note 6 for details of the reclassification

The accompanying notes form an integral part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Total profit	**9,098**	23,885
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Financial assets, at FVOCI – debt instruments		
– Fair value gains/(losses)	**635**	(310)
– Reclassification	**2**	34
Cash flow hedges		
– Fair value gains/(losses)	**1,825**	(5,997)
– Reclassification	**1,065**	638
Share of other comprehensive gains of associated companies and joint venture	**282**	942
Currency translation gains/(losses) arising from consolidation	**3,599**	(5,744)
Other comprehensive income/(loss), net of tax	**7,408**	(10,437)
Total comprehensive income	**16,506**	13,448
Total comprehensive income attributable to:		
Equity holders of the Company	**16,125**	10,557
Non-controlling interests	**381**	2,891
	16,506	13,448

The accompanying notes form an integral part of these financial statements

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

	Note	Group 30 Jun 2021 $'000 (unaudited)	Group 31 Dec 2020 $'000 (audited)
ASSETS			
Current assets			
Cash and bank balances	10	**79,085**	83,868
Trade and other receivables	11	**14,462**	11,687
Inventories		**65**	65
Other assets		**6,059**	5,307
Financial assets, at fair value through other comprehensive income		**3,720**	6,779
		103,391	107,706
Assets held for sale	12	**1,106**	1,292
		104,497	108,998
Non-current assets			
Other assets		**1,022**	1,022
Financial assets, at fair value through profit or loss		**24**	24
Investments in associated companies	13	**109,569**	111,462
Investment in a joint venture	14	**4,719**	4,758
Investment properties	15	**1,329,483**	1,307,770
Property, plant and equipment	16	**8,437**	7,678
		1,453,254	1,432,714
Total assets		**1,557,751**	1,541,712
LIABILITIES			
Current liabilities			
Trade and other payables	17	**37,939**	37,154
Other liabilities		**–**	52
Current income tax liabilities		**8,388**	9,657
Derivative financial instruments		**70**	165
Borrowings	18	**70,125**	71,788
Lease liabilities	19	**16,439**	10,282
		132,961	129,098
Non-current liabilities			
Other liabilities		**1,308**	490
Deferred income tax liabilities		**8,607**	9,168
Derivative financial instruments		**3,695**	6,490
Borrowings	18	**676,501**	682,878
Lease liabilities	19	**93,749**	84,803
		783,860	783,829
Total liabilities		**916,821**	912,927
NET ASSETS		**640,930**	628,785
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	22	**142,242**	142,242
Other reserves		**(19,098)**	(26,488)
Retained profits		**498,577**	489,842
		621,721	605,596
Non-controlling interests		**19,209**	23,189
Total equity		**640,930**	628,785

The accompanying notes form an integral part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	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
Group							
For the six months ended 30 June 2021 (unaudited)							
Beginning of financial period		142,242	(26,488)	489,842	605,596	23,189	628,785
Profit for the period		–	–	8,735	8,735	363	9,098
Other comprehensive income for the period		–	7,390	–	7,390	18	7,408
Total comprehensive income for the period		–	7,390	8,735	16,125	381	16,506
Dividends paid to non-controlling interest		–	–	–	–	(4,361)	(4,361)
Total transactions with owners, recognised directly in equity		–	–	–	–	(4,361)	(4,361)
End of financial period		**142,242**	**(19,098)**	**498,577**	**621,721**	**19,209**	**640,930**
Group							
For the six months ended 30 June 2020 (unaudited)							
Beginning of financial period		142,242	(31,132)	481,081	592,191	21,674	613,865
Profit for the period		–	–	21,005	21,005	2,880	23,885
Other comprehensive (loss)/income for the period		–	(10,448)	–	(10,448)	11	(10,437)
Total comprehensive (loss)/income for the period		–	(10,448)	21,005	10,557	2,891	13,448
Dividends relating to 2019 paid	23	–	–	(8,410)	(8,410)	–	(8,410)
Total transactions with owners, recognised directly in equity		–	–	(8,410)	(8,410)	–	(8,410)
End of financial period		**142,242**	**(41,580)**	**493,676**	**594,338**	**24,565**	**618,903**

The accompanying notes form an integral part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	For the six months ended 30 June 2021 $'000 (unaudited)	2020 $'000 (unaudited)
Cash flows from operating activities			
Total profit		**9,098**	23,885
Adjustments for:			
– Income tax expense		**3,206**	4,064
– Depreciation		**1,691**	1,726
– (Write back)/allowance for impairment of trade and other receivables		**(90)**	1,476
– Net loss on disposal of plant and equipment		**4**	3
– Fair value losses in investment properties		**14,492**	–
– Interest income		**(251)**	(444)
– Finance expenses		**11,328**	12,239
– Share of profit of associated companies and joint venture		**(2,600)**	(3,606)
– Loss on disposal of financial assets, at FVOCI		**2**	34
– Unrealised currency translation differences		**166**	(22)
Operating cash flow before working capital changes		**37,046**	39,355
Change in working capital			
– Inventories		**–**	(23)
– Trade and other receivables		**(3,511)**	(2,815)
– Other assets		**(1,156)**	(1,594)
– Trade and other payables		**984**	(2,020)
Cash generated from operations		**33,363**	32,903
Income tax paid		**(4,586)**	(729)
Net cash provided by operating activities		**28,777**	32,174
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**50**	4
Additions to investment properties		**(9,071)**	(1,592)
Purchases of property, plant and equipment		**(2,402)**	(728)
Interest received		**298**	457
Dividends received from associated companies		**4,815**	1,761
Short-term bank deposits released as security to bank		**–**	16
Deposits refunded for acquisition of investment property		**–**	921
Purchase of financial assets, at FVOCI		**–**	(2,250)
Proceeds from disposal of financial assets, at FVOCI		**3,730**	2,500
Proceeds from disposal of assets held for sale		**777**	–
Net cash (used in)/provided by investing activities		**(1,803)**	1,089

The accompanying notes form an integral part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	For the six months ended 30 June 2021 $'000 (unaudited)	2020 $'000 (unaudited)
Cash flows from financing activities			
Proceeds from borrowings		**8,596**	22,277
Cash provided by non-controlling interests		**117**	–
Repayment of loan from associated company		**(360)**	–
Repayment of borrowings		**(18,834)**	(13,819)
Interest paid on borrowings		**(9,583)**	(11,082)
Dividends paid to equity holders of the company		**–**	(8,410)
Dividends paid to non-controlling interests		**(4,361)**	–
Interest paid on lease liabilities		**(1,763)**	(1,150)
Repayment of principal portion of lease liabilities		**(5,349)**	(3,381)
Net cash used in financing activities		**(31,537)**	(15,565)
Net (decrease)/increase in cash and cash equivalents held		**(4,563)**	17,698
Cash and cash equivalents			
Beginning of financial period		**83,868**	46,378
Effects of currency translation on cash and cash equivalents		**(220)**	(252)
End of financial period	10	**79,085**	63,824

The accompanying notes form an integral part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

The Company is incorporated and domiciled in the Republic of Singapore and is dual listed on both the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and The Stock Exchange of Hong Kong Limited (the "SEHK"). The address of its registered office is 45 Ubi Road 1, #05–01, Singapore 408696.

The principal activities of the Company include investment holding and provision of management services.

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim financial report contains condensed consolidated financial statements comprising of the balance sheet as at 30 June 2021 and 31 December 2020, statement of profit or loss, statement of comprehensive income, statement of cashflow and statement of changes in equity for the six months ended 30 June 2021 and 30 June 2020, and selected explanatory notes.

This unaudited condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting" and the applicable disclosure requirement set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The unaudited condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020 ("FY2020"), which have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs").

For the purpose of SFRS(I)s, financial statements that have been prepared in accordance and complied with IFRSs are deemed to have also complied with SFRS(I)s. SFRS(I)s comprise standards and interpretations that are equivalent to IFRSs. All references to SFRS(I)s and IFRSs are referred to collectively as "IFRS" in these financial statements, unless specified otherwise.

The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for FY2020.

The accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2021 are the same as those set out in the Group's annual financial statements for FY2020.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Impact of standards issued but not yet effective

The following are the new standards and amendments to standards that are relevant to the Group, which have been published but are not yet effective for the financial period and which the Group has not early adopted:

		annual periods beginning on or after
IFRS 16	Amendment to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
IAS 1	Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
IAS 8	Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023

The Group has not applied new and revised SFRS(I)s and IFRSs that have been issued but are not effective.

2.3 New accounting standards and accounting changes

In the current period, the Group has adopted all the new and revised SFRS(I)s and IFRSs that are relevant to its operations and effective for its accounting period beginning on 1 January 2021. The adoption of these new and revised SFRS(I)s and IFRSs did not resulted in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior periods.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 15 – Classification of investment property.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 15 – determination of fair value of investment property using significant unobservable inputs.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

4 REVENUE

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Rental income from investment properties	**57,510**	63,135
Revenue from contracts with customers (IFRS 15)		
Other revenue from accommodation business	**5,185**	1,959
Management services	**1,505**	1,169
Others	**527**	327
	7,217	3,455
	64,727	66,590

5 OTHER INCOME

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Interest income		
– Financial assets measured at amortised cost	**87**	217
– Debt investments measured at FVOCI	**164**	227
	251	444
Government grant income	**1,882**	1,890
Less: Government grant expenses	**–**	(192)
	1,882	1,698
Others	**222**	–
	2,355	2,142

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

6 OTHER GAINS/(LOSSES)

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Currency exchange gain – net	**16**	153
Write back/(allowance for) impairment of trade and other receivables*	**90**	(1,476)
Net loss on disposal of plant and equipment	**(4)**	(3)
Financial assets at FVOCI		
– reclassification from other comprehensive income on disposal	**(2)**	(34)
Others	**(15)**	86
	85	(1,274)

* For the current financial period, "Write back/(allowance for) for impairment of trade and other receivables" has been presented within "Other gains/(losses) – net" instead of "Administrative expenses". Accordingly, the comparatives have been restated for consistency purpose.

7 FINANCE EXPENSES

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Interest expense:		
– bank borrowings and notes payables	**8,233**	9,868
– lease liabilities	**1,763**	1,150
– associated company	**318**	505
– non-controlling interests	**48**	78
– cashflow hedge, reclassified from hedging reserve	**1,065**	638
Less: Borrowing costs capitalised in investment properties	**(99)**	–
Finance expenses recognised in profit or loss	**11,328**	12,239

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

8 INCOME TAXES

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Tax expense attribute to the profit is made up of:		
– Profit for the financial period		
Current income tax		
– Singapore	**2,711**	2,711
– Foreign	**1,057**	1,405
	3,768	4,116
Deferred income tax	**(540)**	2
	3,228	4,118
– (Over)/under provision in prior financial periods		
Current income tax	**(39)**	(50)
Deferred income tax	**17**	(4)
	3,206	4,064

9 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Group For the six months ended 30 June	
	2021 (unaudited)	2020 (unaudited)
Net profit attributable to equity holders of the Company ($'000)	**8,735**	21,005
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**840,779**	840,779
Basic earnings per share (cents)	**1.04**	2.50

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

The basic and diluted earnings per share are the same, as the Company has no dilutive potential ordinary shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

10 CASH AND BANK BALANCES

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Cash at bank and on hand	**35,928**	39,460
Short-term bank deposits	**43,157**	44,408
	79,085	83,868

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprised the following:

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Cash and bank balances (as above)	**79,085**	65,082
Less: Short-term bank deposits charged as security to bank	**–**	(1,258)
Cash and cash equivalents per consolidated statement of cash flows	**79,085**	63,824

As at 30 June 2020, short-term bank deposits of the Group amounting to $1,258,000 were charged as security to banks as a guarantee in relation to bank facilities.

The reconciliation of liabilities arising from financing activities as at 31 December 2020 and 30 June 2021 are as follows:

	31 Dec 2020 $'000 (audited)	Cash flows $'000	Non-cash items $'000	Interest expense $'000	Currency translation differences $'000	30 Jun 2021 $'000 (unaudited)
Bank borrowings (Note 18)	637,512	2,012	–	8	2,518	**642,050**
Notes payables (Note 18)	66,722	(12,250)	–	75	–	**54,547**
Lease liabilities (Note 19)	95,085	(7,112)	20,851	1,763	(399)	**110,188**
Loan from non-controlling interests (Note 18)	7,254	117	–	–	(1)	**7,370**
Loan from associated company (Note 18)	42,328	(360)	–	–	–	**41,968**
Interest payable (Note 18)	850	(1,675)	–	1,516	–	**691**
Derivative financial instruments	6,655	(1,065)	(2,890)	1,065	–	**3,765**
Accrued interest expense	529	(6,843)	–	6,901	–	**587**
	856,935	(27,176)	17,961	11,328	2,118	**861,166**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

11 TRADE AND OTHER RECEIVABLES

The majority of the Group's sales are on cash terms. The remaining amounts are with credit terms of 30 to 90 days. At the balance sheet date, the ageing analysis of the trade receivables based on invoice date is as follows:

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Up to 3 months	**7,546**	5,164
3 to 6 months	**869**	1,104
Over 6 months	**917**	599
	9,332	6,867
Less: Cumulative allowance for impairment	**(1,631)**	(1,748)
	7,701	5,119

12 ASSETS HELD FOR SALE

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Details of the assets classified as held-for-sale are as follows:		
Beginning of financial period/year	**1,292**	5,447
Currency translation differences	**(11)**	(32)
Disposal	**–**	(4,123)
Transferred to property, plant and equipment (Note 16)	**(175)**	–
End of financial period/year	**1,106**	1,292

During the current financial period, the 4-storey shophouse located at South Jakarta, Indonesia has ceased to be classified as assets held for sale as the management has decided to use it for administrative purpose. Accordingly, this asset with carrying value of S$175,000 is classified from assets held for sale to property, plant and equipment (Note 16).

On 2 July 2021, the Group has completed the sale of the factory unit located in Indonesia to a third party. A gain on disposal of this asset held for sale amounting to approximately S$2,000,000 will be recorded in the six months period ending 31 December 2021.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

13 INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Beginning of financial period/year	**111,462**	108,918
Currency translation differences	**328**	(293)
Share of fair value gains/(losses) from cash flow hedges	**49**	(29)
Share of profit	**2,544**	4,985
Dividends received	**(4,815)**	(2,166)
Share of loss in excess of investment in an associated company	**1**	47
End of financial period/year	**109,569**	111,462

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

14 INVESTMENT IN A JOINT VENTURE

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Beginning of financial period/year	**4,758**	4,819
Currency translation differences	**(95)**	105
Share of profit/(loss)	**56**	(166)
End of financial period/year	**4,719**	4,758

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

15 INVESTMENT PROPERTIES

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Beginning of financial period/year	**1,307,770**	1,275,879
Currency translation differences	**5,775**	17,162
Additions to investment properties	**30,430**	51,553
Disposal via sale of a subsidiary	**–**	(4,982)
Adjustment in relation to extension option	**–**	(4,201)
Net fair value loss recognised in profit or loss	**(14,492)**	(27,641)
End of financial period/year	**1,329,483**	1,307,770

Investment properties are leased to non-related parties under operating leases (Note 21).

Included in additions are capitalised expenditure of $9,071,000 (FY2020: $11,377,000) and right-of-use assets of $21,359,000 (FY2020: $40,176,000).

Certain investment properties are pledged as security for the bank facilities extended to subsidiaries (Note 18(a)). The carrying values of these investment properties amounted to approximately $1,211,316,000 (FY2020: $1,205,894,000).

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 2021, in consultation with the independent professional valuers who had performed the valuations of the Group's investment properties as at 31 December 2020, for any material changes in key inputs. The key inputs were found to remain substantially unchanged compared to 31 December 2020. 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 losses on investment properties amounted to S$14,492,000 (1H 2020: Nil).

16 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the additions and disposals of the Group's property, plant and equipment amounted to $2,402,000 (FY2020: $1,504,000) and $55,000 (FY2020: $97,000) respectively.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

17 TRADE AND OTHER PAYABLES

At the balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date were as follows:

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Up to 3 months	**2,908**	2,344
3 to 6 months	**193**	87
Over 6 months	**265**	265
	3,366	2,696

18 BORROWINGS

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Current		
Bank borrowings (Note (a))	**65,834**	68,778
Loan from an associated company (Note (c))	**3,600**	2,160
Interest payable	**691**	850
	70,125	71,788
Non-current		
Bank borrowings (Note (a))	**576,216**	568,734
Loan from non-controlling interests (Note (d))	**7,370**	7,254
Loan from an associated company (Note (c))	**38,368**	40,168
Notes payables (Note (b))	**55,000**	67,250
Less: Transaction costs	**(453)**	(528)
	54,547	66,722
	676,501	682,878
Total borrowings	**746,626**	754,666

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

18 BORROWINGS (CONTINUED)

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

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Amount repayable within one year or on demand		
Secured	**47,479**	29,778
Unsecured	**22,646**	42,010
Total	**70,125**	71,788
Amount repayable after one year		
Secured	**531,470**	544,434
Unsecured	**145,031**	138,444
Total	**676,501**	682,878
Total Borrowings	**746,626**	754,666

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

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
– not later than one year	**70,125**	71,788
– between one to five years	**472,822**	426,481
– after five years	**203,679**	256,397
	746,626	754,666

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

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Within one year	**65,834**	68,778
Between one and two years	**121,141**	61,909
Between two and five years	**281,734**	282,566
After five years	**173,341**	224,259
	642,050	637,512

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

18 BORROWINGS (CONTINUED)

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

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Within one year	**4,291**	3,010
Between one and two years	**3,600**	15,850
Between two and five years	**66,347**	66,156
After five years	**30,338**	32,138
	104,576	117,154

(a) Bank borrowings

Bank borrowings are subject to floating interest rates of which $138,977,000 (31 Dec 2020: $140,979,000) are managed with interest rate swaps where floating rates are swapped into fixed interest rates. The carrying amounts of the non-current borrowings approximated their fair values.

Total borrowings include secured liabilities of $578,949,000 (31 Dec 2020: $574,212,000) for the Group. These borrowings are secured over certain bank deposits (Note 10) and investment properties (Note 15).

(b) Notes payables

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

On 21 September 2020, the Company issued an Exchange Offer invitation ("Invitation"), offering the holders of its outstanding $60,000,000 fixed rate notes due 2022 comprised in Series 004 (the "Series 004 Notes") to exchange any and all outstanding Existing Notes for a like principal amount of fixed rate notes due 2024 to be issued pursuant to its $750,000,000 Multicurrency Debt Issuance programme (the "Programme").

On 12 October 2020, the Company issued $55,000,000 fixed rate notes due 2024 (the "Series 005 Notes") under the Programme, comprising $45,250,000 in aggregate principal amount issued pursuant to the Invitation and $9,750,000 in aggregate principal amount of additional notes. The Series 005 Notes will bear interest as follows:

(i) for the period from, and including 12 October 2020 to, but excluding, 12 April 2023: 5.75% per annum; and

(ii) so long as the Series 005 Notes are not redeemed, for the period from, and including, 12 April 2023: 8.25% per annum payable semi-annually in arrears.

Unless previously redeemed or purchased and cancelled, the Series 005 Notes shall mature on 12 April 2024.

The net proceeds arising from the Series 005 Notes (after deducting for issue expenses) has been fully utilised to redeem Series 004 Notes. On 1 February 2021, the Group has fully redeemed the remaining Series 004 Notes due 2022 of $12,250,000.

As at 30 June 2021 and 31 December 2020, the Group is in compliance with all relevant financial covenants and the borrowings have been classified and presented appropriately based on the agreed terms.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

18 BORROWINGS (CONTINUED)

(c) Loan from an associated company

The loan from an associated company is unsecured with fixed repayment terms.

The interest on the loan from an associated company is calculated based on the floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

(d) Loan from non-controlling interests

The loan from non-controlling interests are unsecured with fixed terms of repayment. The interest on the loan is calculated based on the floating rates, except for part of the loan from non-controlling interests amounting to $1,000,000 (31 Dec 2020: $884,000) which is calculated based on fixed rates. The carrying amounts of the non-current borrowings approximate their fair values.

(e) Fair value of current and non-current borrowings

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Notes payables	**55,446**	67,008

The fair values are within Level 2 of the fair value hierarchy. The fair values of the notes payables are based on indicative mid-market prices obtained from the bank.

19 LEASE LIABILITIES

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

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
– not later than one year	**16,439**	10,282
– between one to five years	**41,332**	29,362
– after five years	**52,417**	55,441
	110,188	95,085

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

20 LEASES – THE GROUP AS A LESSEE

Property

The Group leases office space for the purpose of back office operations for a tenure of 3 years.

Leasehold land and building

The Group makes periodic lease payments for leasehold land and buildings. Some of these leases have escalation clauses and extension options. The right-of-use of these leasehold land and buildings are classified as investment properties (Note 15).

There are no externally imposed covenant on these lease arrangements.

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Carrying amount of right-of-use assets		
ROU assets classified within Property, plant and equipment		
Leased office space	**864**	1,048

ROU assets classified within Investment properties

The right-of-use asset relating to the leasehold land and buildings presented under investment properties (Note 15) is stated at fair value and has a carrying amount at balance sheet date of $110,362,000 (FY2020: $94,593,000)

Addition to right-of use assets during the financial period was $21,359,000 (FY2020: $40,176,000), which was related to investment properties (Note 15).

21 LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out their owned investment properties to third parties for monthly lease payments. To reduce credit risk, the Group obtains security deposits for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 4.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

21 LEASES – THE GROUP AS A LESSOR (CONTINUED)

Maturity analysis of lease payments – Group as a lessor

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

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Less than one year	**71,720**	67,951
One to two years	**10,233**	9,382
Two to three years	**888**	1,232
Three to four years	**540**	540
Four to five years	**540**	540
More than five years	**6,255**	6,525
Total undiscounted lease payment	**90,176**	86,170

22 SHARE CAPITAL AND TREASURY SHARES

	Group	
	No. of ordinary shares Issued share capital '000	Share capital $'000
2021		
Beginning and end of financial period (unaudited)	**840,779**	**142,242**

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

On 1 August 2011, the Company completed the acquisition of Westlite Dormitory (Toh Guan) Pte Ltd (then known as Centurion Dormitory (Westlite) Pte Ltd) ("Transaction"). The acquisition was accounted for as a reverse acquisition in accordance with IFRS 3 *Business Combinations*. Consequently, the Group's share capital amount differs from that of the Company. More information on the Transaction and the accounting can be found in the Company's published financial statements for the financial year ended 31 December 2011.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

23 DIVIDENDS

	Group	
	30 Jun 2021 $'000 (unaudited)	30 Jun 2020 $'000 (unaudited)
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of nil Singapore cent (2020: final exempt dividend paid in respect of the financial year 2019 of 1.0 Singapore cent) per share	–	8,410

24 COMMITMENTS

(a) Capital commitments

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

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Property, plant and equipment	**127**	644
Investment properties	**12,285**	9,044

(b) Corporate guarantees

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to associated companies and a joint venture amounting to $75,203,000 (31 Dec 2020: $75,712,000). As at 30 June 2021, the amount of the guaranteed loans drawn down by associated companies and a joint venture amounted to $74,789,000 (31 Dec 2020: $75,289,000).

As at 30 June 2021 and 31 Dec 2020, the fair value of the corporate guarantees were insignificant.

Except for the corporate guarantees disclosed above, the Group did not have any other contingent liabilities as at end of current and prior financial periods.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

25 RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Services provided to immediate holding corporation	**43**	41
Services provided to associated companies	**1,002**	1,183
Purchases from a company which a director has an interest	**34**	49
Lease payments to associated company	**415**	711
Interest charged by associated company	**318**	505
Interest charged by non-controlling interests	**48**	78

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Wages and salaries	**2,102**	2,567
Employer's contribution to defined contribution plan, including Central Provident Fund	**70**	78
	2,172	2,645

Included in above, total compensation to directors of the Company amounted to S$1,040,000 (1H 2020: $1,240,000).

26 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Senior Management that are used to make strategic decisions. The Senior Management comprises the Deputy Chairman, the Group Chief Executive Officer, the Group Chief Financial Officer, and the Chief Operating Officer of each business/geographic segment.

The Senior Management manages and monitors the business in three business segments which is the provision of dormitory accommodation and services for workers ("Workers accommodation"), provision of accommodation and services for students ("Student accommodation") and others.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

26 SEGMENT INFORMATION (CONTINUED)

The results of the respective countries within the Workers accommodation and Student accommodation business segments are aggregated into a single operating segment respectively as they share similar economic characteristics.

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

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Six months ended 30 June 2021: (unaudited)				
Revenue:				
Sales to external parties	48,459	15,741	527	64,727
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	1,775	458	527	2,760
– Over time	3,743	713	–	4,456
Segment results	29,613	5,631	29	35,273
Finance expense	(7,161)	(4,167)	–	(11,328)
Interest income				251
Fair value losses on investment properties	(8,939)	(5,553)	–	(14,492)
Share of profit of associated companies and joint venture	1,623	975	2	2,600
Profit before tax				12,304
Income tax expense				(3,206)
Net profit				**9,098**
Included in segment results:				
Depreciation	1,319	355	17	1,691
As at 30 June 2021 (unaudited)				
Segment assets	862,673	532,656	845	1,396,174
Short-term bank deposits				43,157
Financial assets, at FVOCI				3,720
Tax recoverable				412
Investments in associated companies	75,989	32,367	1,213	109,569
Investment in a joint venture	–	4,719	–	4,719
Consolidated total assets				**1,557,751**
Segment liabilities	138,912	14,137	151	153,200
Borrowings	424,717	321,909	–	746,626
Current income tax liabilities				8,388
Deferred income tax liabilities				8,607
Consolidated total liabilities				**916,821**
Other segment item:				
Capital expenditure	6,346	5,083	44	11,473

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

26 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for the six months ended 30 June 2020 is as follows:

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Six months ended 30 June 2020: (unaudited)				
Revenue:				
Sales to external parties	45,172	21,068	350	66,590
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	1,456	503	327	2,286
– Over time	337	832	–	1,169
Segment results	27,010	9,125	3	36,138
Finance expense	(7,561)	(4,678)	–	(12,239)
Interest income				444
Share of profit of associated companies and joint venture	2,545	1,039	22	3,606
Profit before tax				27,949
Income tax expense				(4,064)
Net profit				**23,885**
Included in segment results:				
Depreciation	1,127	582	17	1,726
As at 31 December 2020 (audited)				
Segment assets	848,307	521,952	3,230	1,373,489
Short-term bank deposits				44,408
Financial assets, at FVOCI				6,779
Tax recoverable				816
Investments in associated companies	79,180	31,063	1,219	111,462
Investment in a joint venture	–	4,758	–	4,758
Consolidated total assets				**1,541,712**
Segment liabilities	121,879	17,078	479	139,436
Borrowings	435,202	319,464	–	754,666
Current income tax liabilities				9,657
Deferred income tax liabilities				9,168
Consolidated total liabilities				**912,927**
Twelve months ended 31 December 2020 (audited)				
Other segment item:				
Capital expenditure	7,775	5,106	–	12,881

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

26 SEGMENT INFORMATION (CONTINUED)

Segment assets consist primarily of property, plant and equipment, investment properties, inventories, receivables, other current assets and operating cash, and exclude tax recoverable, deferred tax assets, investments in associated companies and a joint venture, financial assets, at FVOCI and short-term bank deposits. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and bank borrowings. Capital expenditure comprises additions to property, plant and equipment and investment properties.

Geographical information

The Group's three business segments operate in five main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the provision of workers accommodation, provision of management services and property investments;
- Australia – the operations in this area are principally the provision of student accommodation and property investments;
- Malaysia – the operations in this area are principally the provision of workers accommodation;
- United Kingdom – the operations in this area are principally the provision of student accommodation;
- United States of America – the operations in this area are principally the provision of student accommodation;
- Other countries – the operations are principally property investments.

	Group For the six months ended 30 June	
	2021 $'000 (unaudited)	2020 $'000 (unaudited)
Revenue		
Singapore	**43,022**	41,528
Malaysia	**6,735**	5,432
Australia	**2,348**	5,104
United Kingdom	**11,602**	13,318
United States of America	**646**	745
Other countries	**374**	463
	64,727	66,590

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2021 and 31 December 2020 on a recurring basis:

Fair value measurements

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Group			
As at 30 June 2021 (unaudited)			
Assets			
Financial assets, at FVOCI	**3,720**	**–**	**–**
Financial assets, at fair value through profit or loss	**–**	**–**	**24**
Liabilities			
Derivative financial instruments	**–**	**3,765**	**–**
As at 31 December 2020 (audited)			
Assets			
Financial assets, at FVOCI	6,779	–	–
Financial assets, at fair value through profit or loss	–	–	24
Liabilities			
Derivative financial instruments	–	6,655	–

The fair value of financial instruments traded in active markets (such as trading and FVOCI securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximated their carrying amount.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These instruments are classified as Level 2.

The Group estimates the fair value of its unquoted investment classified as financial assets at fair value through profit or loss based on its share of the investee companies' net asset value ("NAV"), which is a significant unobservable input. NAV is determined by reference to the attributable net assets of the Group's investee companies based on the latest available financial information, adjusted, where applicable, for valuations of the underlying investment properties held by the investee companies determined by external, independent and qualified valuers.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

Management of the Group reviews the appropriateness of the methodologies used to determine NAV, and also evaluates the appropriateness and reliability of the inputs used in the determination of NAV.

The financial assets at fair value through profit or loss are classified under Level 3 of the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy in 1H 2021. There were also no changes made to any of the valuation techniques applied as of 31 December 2020.

Financial instruments by category

The carrying amount of the different categories of the financial instruments are as disclosed on the face of the balance sheet to the financial statements, except for the following:

	Group	
	30 Jun 2021 $'000 (unaudited)	31 Dec 2020 $'000 (audited)
Financial assets at amortised cost	**98,371**	99,084
Financial liabilities at amortised cost	**890,422**	881,280