



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

ANNUAL REPORT
2020

**Portfolio of 35 operational
assets in 17 cities and
6 countries around the world**

8

Assets in
Singapore

8

Assets in
Malaysia

10

Assets in
United Kingdom

6

Assets in
United States

2

Assets in
Australia

1

Asset in
South Korea



1. dwell College & Crown, New Haven, Connecticut, USA
2. dwell Dongdaemun, Seoul, South Korea
3. dwell East End Adelaide, Adelaide, Australia
4. Minister for Law and Home Affairs, K. Shanmugam, visit to ASPRI-Westlite Papan



CONTENTS



OVERVIEW

Corporate Profile	02
Our Core Values	02
Events in 2020	03
Joint Chairmen Letter to Shareholders	04
CEO's Statement	06
Board of Directors	08
Senior Management	13
Company Secretary	16
Core Subsidiaries and Associates	17

STRATEGY AND BUSINESS REVIEW

Global Presence	20
Business Portfolio	22
Key Figures	30
Financial Review	32
Group Structure	35
Operations Review	38
Market Outlook	41
Investor Relations	44

SUSTAINABILITY REPORT 48

CORPORATE GOVERNANCE 73

FINANCIAL REPORT 100

ADDITIONAL INFORMATION

Five-Year Summary	224
Statistics of Shareholdings	225
Notice of Annual General Meeting	227
Proxy Form	

CORPORATE PROFILE

Centurion Corporation Limited ("Centurion" or the "Company" and together with its subsidiaries, the "Group") owns, develops and manages quality, purpose-built workers accommodation assets in Singapore and Malaysia, and purpose-built student accommodation assets in Singapore, Australia, the United Kingdom ("UK"), the United States ("US") and South Korea.

Established in 1984 as an audio cassette tape manufacturer, the Company was listed on the Singapore Exchange (SGX: OU8) in January 1995. In 2011, a reverse takeover saw the Group successfully diversifying into the specialised accommodation business to capture growth opportunities in this niche market. In December 2017, Centurion completed a dual primary listing on the Main Board of The Hong Kong Stock Exchange Limited (SEHK: 6090).

As at 31 December 2020, the Group currently owns and manages a strong portfolio of 35 operational accommodation assets with approximately 73,460 beds. Following the completion of projects currently under development and undergoing asset enhancement works, the Group's portfolio of accommodation assets is expected to grow to approximately 80,776 beds in FY2021.

Centurion's established portfolio of workers accommodation assets are managed under the "Westlite" brand. As at 31 December 2020, the Group owns a portfolio of approximately 30,320 beds across seven workers accommodation assets in Singapore and approximately 36,744 beds across eight workers accommodation assets in Malaysia.

The Group successfully expanded into the student accommodation business in 2014. As at 31 December 2020, the Group owns a portfolio of 10 assets in the UK with a total capacity of 2,815 beds, a 332-bed asset in Singapore, two assets in Australia with 896 beds and one 208-bed asset in South Korea. The Group's student accommodation assets are managed under the "dwell" brand.

In November 2017, Centurion broke new ground with the establishment of its inaugural private fund, the Centurion US Student Housing Fund, which currently holds a portfolio of 2,145 beds in the US. A year later in December 2018, the Group announced the successful first close of its second fund, the Centurion Student Accommodation Fund, to invest in purpose-built student accommodation globally (ex-US). In line with the Group's asset light strategy, such investments allow Centurion to scale up in an efficient, sustainable manner.

With global reach and a clear growth strategy to actively enhance and manage its accommodation assets, identify strategic acquisitions supported by joint ventures and investment funds, Centurion has evolved to become a leading Singapore-based provider of quality specialised accommodation around the world.

OUR CORE VALUES

Our core values reflect our passion to meet our customers' objectives and provide services that promote the well-being of our stakeholders.



RESPECT

We treat every individual with consideration, dignity and respect at all times. We are sensitive and attentive to different needs arising from the diverse backgrounds, nationalities, religions, traditions and culture. We have in place consultation and grievance mechanisms for the well-being of our residents, customers and staff.



INTEGRITY

We believe in upholding the highest standards of integrity and to confidently act with honesty at all times. We have the courage to do what is right and earn the trust of all our customers and stakeholders, dedicating our best knowledge and skills to obtain the best outcome.



CREATIVITY

We explore innovative methods, processes and best practices to achieve higher efficiency and productivity to stay ahead. As a team, we encourage personal initiative, resourcefulness and a positive mindset to make a difference. This ensures that we embrace change while constantly improving ourselves to keep ahead of competition, and enables us to continue pushing boundaries and expectations.



EXCELLENCE

We strive for excellence and persevere in everything we do to obtain the best outcome. Our focus and commitment to quality is embedded in every aspect of our business – not just physical infrastructure and products, but also our relationships, processes and services that go into creating a healthy and positive environment.

EVENTS IN 2020

JANUARY TO MARCH

- February: Announced the proposed reconstruction of an existing block at Westlite Toh Guan

The Group obtained Written Permission from the Urban Redevelopment Authority for the reconstruction of an existing block at Westlite Toh Guan to an 8-storey workers dormitory and industrial training centre. (The Group subsequently deferred the reconstruction until the COVID-19 situation normalises).

APRIL TO JUNE

- April: The Group took over operational management of its maiden student accommodation asset, RMIT Village in Melbourne, Australia which was acquired in 2014, and rebranded it dwell Village Melbourne City
- April: The Singapore Government announced and implemented a Circuit Breaker across Singapore

The Singapore Government implemented a Circuit Breaker, essentially a set of safety measures to pre-empt increasing local transmissions of COVID-19 from 7th April to 4th May, later extended till 1st June.

- April: Westlite Toh Guan (8 blocks) gazetted as isolation area by the Ministry of Health ("MOH") under the Infectious Diseases Act
- April: Westlite Mandai (3 blocks) gazetted as isolation area by the MOH under the Infectious Diseases Act
- April: Announced early lease termination policy for its UK student accommodation

To contain the spread of the coronavirus, the UK government instituted a nation-wide lockdown and universities moved academic programmes online. Students could choose to return home and continue their studies from home. After due assessment of the conditions faced by student-residents, the Group offered its residents the option for early termination of their remaining contracted leases for the last semester of UK Academic Year 2019/2020.

- April: The Singapore Government announced a full lock down for all dormitories. All foreign workers staying in all dormitories in Singapore will be placed on a mandatory Stay Home Notice and will not be allowed to enter or leave the dormitory compounds
- April: Announced termination of proposed development of a workers accommodation at Juru, Penang in Malaysia

Amid the uncertain economic situations surrounding the COVID-19 outbreak, the Group decided not to proceed with the proposed development of a purpose-built workers accommodation at Juru in Penang. All monies paid for the land in relation to the proposed development have been refunded to the Group without interest.

- June: One block in Westlite Toh Guan is among the first workers accommodations to be degazetted by the MOH in Singapore
- June: The Group secured a management service contract from JTC Corporation to manage approximately 4,000 beds across three sites in Singapore for a period of six months, with the option by JTC to extend for another six months

JULY TO SEPTEMBER

- July: Two blocks in Westlite Mandai degazetted by the MOH
- August: Remaining seven blocks in Westlite Toh Guan degazetted by the MOH
- August: Remaining one block in Westlite Mandai degazetted by the MOH
- August: The Singapore Government lifted the mandatory isolation of all dormitories. Foreign workers staying in dormitories were allowed to resume work subject to being certified clear of COVID-19
- September: The Group secured a tender by JTC Corporation to lease and manage 4 new Quick Build Dormitories ("QBDs")

The Group secured a 3-year lease, with an option to renew an additional 1 year to operate 4 new QBDs with approximately 6,400 beds. These dormitories are among the new QBDs whose development was announced by the Singapore Government in June 2020.

OCTOBER TO DECEMBER

- October: Following an exchange offer extended to note-holders of Series 004 Fixed Rate Notes due 2022, the Group successfully issued Series 005 S\$55 million Fixed Rate Notes ("Notes") due 2024
- November: Secured a lease to operate a purpose-built dormitory in Malaysia, marking the Group's entry into Selangor

The Group secured from Perbadanan Kemajuan Negeri Selangor, also known as Selangor State Development Corporation ("PKNS"), to lease a ready-built property, located in Sungai Way, Petaling Jaya comprising approximately 6,044 beds for workers accommodation.

- December: The Group reported the first COVID-19 cases detected amongst residents of its PBWA assets in Johor, Malaysia

In December, the Group started to see COVID-19 cases in its workers accommodation assets in Malaysia. As at 31 December, the 6 assets in Johor has COVID-19 cases while Westlite Bukit Minyak in Penang had zero case. The Johor dormitories have subsequently been cleared with zero cases, by 1Q 2021.

- December: The Group divested Shanghai Huade Photoelectron Science & Technology Co. Ltd, which owns an optical disc factory in Shanghai.



1. Westlite Toh Guan - remittance services in progress during lock down
2. dwell Village Melbourne City, Melbourne, Australia, previously known as RMIT Village
3. Westlite Woodlands residents returning to dormitory after work when lock down was lifted
4. Westlite Tuas Avenue 2 - one of the Quick Build Dormitories managed by Westlite Accommodation
5. Westlite-PKNS Petaling Jaya, first Westlite PBWA in Selangor, Malaysia

JOINT CHAIRMEN LETTER TO SHAREHOLDERS

Despite the impact of COVID-19, the Group's geographically diversified portfolio assets, managed by our committed team, have together in strength, delivered stable results, and Centurion is well-positioned to benefit as countries and economies recover.



Left: Mr. Han Seng Juan, right: Mr. Loh Kim Kang David

JOINT CHAIRMEN LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

PERFORMANCE IN AN UNPRECEDENTED YEAR

Our purpose-built workers accommodation ("PBWA") and purpose-built student accommodation ("PBSA") businesses have been impacted by COVID-19, as lockdowns and travel restrictions, the shift to online teaching and economic knock-on effects buffeted markets globally.

Despite the pressures, we are pleased to report that for the year 2020, while revenue and gross profit dipped 4% and 8% respectively, and we recorded a fair valuation loss amounting to 2% of the group's investment properties value, net profit from core business attributable to equity holders grew 8% to \$41.3 million.

During the year, we successfully expanded our operational portfolio by 14% in PBWA bedcount in Singapore and Selangor.

The uncertainty continues, however, and further headwinds are anticipated before vaccination programmes are effectively rolled out in our operating countries, and travel, human interaction and economies begin to normalise.

The Board and Management of Centurion continue to take prudent measures to enhance our operational efficiency, strengthen our market standing, manage costs and conserve cash in anticipation of continued uncertainty ahead of recovery.

Given our well-located portfolio assets, proven management capabilities, and robust pent-up demand in our resilient business sectors, Centurion is well-positioned to benefit as countries and economies recover from the virus.

STABLE AND RESILIENT

Despite the impact of COVID-19 on the markets where we operate, the Group's geographically diversified portfolio assets, professionally managed by our committed team, have together in strength, delivered stable results.

While PBSA occupancy in the UK and Australia have fallen due to lockdowns affecting both international and domestic travel, the Group's US PBSA portfolio has delivered increased occupancy and revenue. Whereas Singapore PBWA occupancy dampened in the latter half of 2020, occupancy in Malaysia grew as regulatory, ethical and health concerns drove employers to seek quality worker housing.

The Group's financial results were bolstered by PBWA and PBSA assets acquired in 2019 which contributed fully through 2020, as well as reduced finance expenses from the low interest rate environment, government support programmes in the countries where we operate, and by our stringent cost management measures which resulted in lower administrative and distribution expenses.

During the year, the Group continued to enlarge our revenue streams with the acquisition of portfolio assets by prudent asset-light means.

In Singapore, the Group won two tenders by JTC Corporation, to manage three Factory-Converted Dormitories ("FCD") and operate four Quick Build Dormitories ("QBD"). Centurion's Westlite Accommodation is amongst the first dormitory operators to manage QBDs, which pilot new specifications being evaluated for enhanced pandemic management in future dormitories. The Group is actively engaged with relevant government and industry stakeholders on the new specifications and needs for the industry to transition to future dormitory standards.

In Malaysia, the Group secured a Master Lease from the Selangor State Development Corporation to operate a new worker's accommodation in Selangor, Malaysia. Branded Westlite-PKNS Petaling Jaya, this asset marks the Group's expansion into the central region of Peninsula Malaysia, as demand for professionally-managed worker accommodation grows nationally with increased government regulations and ethical scrutiny.

HEART OF THE MATTER

Centurion's business stands on our promise of 'Management with a Heart', and our topmost priority during the pandemic has been and must continue to be the wellbeing of our residents, partners and staff.

Extensive pandemic management measures were implemented from January 2020 and stepped up continuously through the year, addressing the physical health of our residents and also their mental and social well-being.

The Group invested to enhance our technology platforms, to provide added support and services to our residents and partners, easing their challenges during the pandemic. For PBWA tenant-employers, this contributed to their ability to resume business as lockdowns were lifted.

We are determined to protect our staff and retain jobs during this time. The Group has in fact employed additional talent to support increased operational and technology needs.

DELIVERING SUSTAINABLE VALUE

Alongside efforts to protect human talent, support our communities and retain goodwill for our businesses and brands, while enlarging our portfolio and revenue streams, the Group also focussed on delivering sustainable value to our shareholders.

By enhancing management and operational efficiencies, reducing costs and deferring discretionary capital expenditures, the Group has managed to deliver increased profits from our core business operations in a challenging year, as well as stronger cash and bank balances preparing us for further headwinds and opportunities in the recovery.

The Board of Directors and Management accepted a cut in directors' fees and management salaries from May 2020, which will continue until the situation normalises. With due consideration for the near to medium term uncertainties, we also held back from paying dividends in respect of FY2020 in order to conserve cash. Looking ahead, we will continue to explore opportunities to enlarge our assets under management, enhance asset yields and unlock value in our portfolio assets, and deliver sustainable returns for shareholders.

The Group remains confident in the demand fundamentals of our markets and the resilience of our asset classes.

EXTENDING APPRECIATION

On that note, we are pleased to share that Centurion was awarded Overall Winner for the Real Estate Industry sector in The Edge Singapore's Centurion Club Awards 2020, recognizing the Group's all-round excellence in considerations such as Growth in Profit After Tax (PAT), Weighted Return on Equity (ROE) and Returns to Shareholders tracked over the past 3 years.

Our achievements would not have been possible without the support of all our stakeholders.

To our Board of Directors, we wish to express our gratitude for your contributions and counsel. We would also like to thank our shareholders, loyal partners, and community stakeholders for their continued trust in Centurion in this very difficult year. Finally, we wish to acknowledge the hard work contributed by our management and staff.

Yours faithfully

HAN SENG JUAN
LOH KIM KANG, DAVID
Joint Chairmen

CEO'S STATEMENT

Against the backdrop of the COVID-19 pandemic, and countries implementing stringent and prolonged containment measures, the management is pleased to report 8% growth in core business profit, as well as successful expansion of our portfolio of operating assets.



Mr. Kong Chee Min

CEO'S STATEMENT

DEAR SHAREHOLDERS,

In the past year, businesses globally, including Centurion, have been disrupted by the COVID-19 pandemic. The start of the year saw initial year-on-year growth in our revenue, but as the virus spread and countries implemented increasingly stringent and prolonged containment measures, occupancy and revenue declined in the successive quarters. Against this backdrop, the management is pleased to report growth in core business profit, as well as successful expansion of our portfolio of operating assets.

PERFORMANCE DESPITE PRESSURE

FY2020 Group revenue slipped 4% to S\$128.4 million from S\$133.4 million a year ago. Pressures on revenue from lower occupancy in the second half of 2020, especially in the UK and Australia Purpose-Built Student Accommodation ("PBSA"), were moderated by Purpose-Built Workers Accommodation ("PBWA") segment revenue which registered a 6% growth to S\$91.5 million in FY2020. The increased PBWA revenue was due mainly to full-year contributions from Westlite Juniper in Singapore and Westlite Bukit Minyak in Malaysia as well as revenue from operating assets newly secured in 2H 2020 in Singapore and Malaysia. We also benefitted from revenue contribution from dwell Archer House which was added to the UK PBSA portfolio in 2019.

Overall PBSA segment revenue fell 22% to S\$35.8 million, largely due to lower average financial occupancy in the Group's PBSA in the UK and in Australia where international students faced travel restrictions. Local lockdowns also prevented domestic students from arriving in their university cities.

Operating expenses increased by S\$2.3 million, as the Group took additional measures to safeguard the wellbeing of our staff and residents, with increased cleaning and sanitization regimes as well as added activities to support the physical and mental wellness of residents isolated in their apartments.

Caring for the sustainability of our communities, we also provided financial support to needful stakeholders. In Singapore, the Group extended voluntary rental rebates to the tenant-employers of our residents. In the UK, we offered early lease termination to our student residents, when they were unable to return to university for the final semester of Academic Year 2019/2020. The impact of this offer came to GBP 3.1 million, at the lower end of the anticipated impact range of GBP 3 million to GBP 5 million.

As a result, Gross Profit Margin fell 3%, resulting in lower Gross Profit of S\$89.6 million in FY2020, a reduction of 8% from S\$96.9 million in 2019.

The impact of lower occupancy and higher operating costs was cushioned by government grants and support received across the countries where we operate, as well as by a 19% reduction in finance expenses due to the lower interest rate environment. Prudent management further delivered savings in distribution and administrative expenses, which reduced 12% and 10% respectively.

As a result, and including the positive contributions of the US PBSA portfolio, profit from core business operations attributable to equity holders of the Company improved 8% to S\$41.3 million.

PRUDENT PORTFOLIO GROWTH

During the year, as the effects of COVID-19 began to impact markets and economies, the Group took prudent steps to conserve cash by reducing costs and deferring non-essential capital expenditure.

The Group decided not to proceed with development of a purpose-built workers accommodation at Juru Penang, Malaysia given the economic uncertainty. Also, the enhancement of Westlite Toh Guan was put on hold.

As part of our continued asset rationalisation exercise, we divested non-core assets and subsidiaries, namely the 37-bed dwell Beechwood House in UK, a commercial dormitory property Desa Cemerlang in Malaysia, and an industrial factory owned through Shanghai Huade Photoelectron Science & Technology Co. Ltd in Shanghai, PRC.

At the same time, we seized opportunities to expand our portfolio of revenue-generating assets, where strategic and sensible, by asset-light management service contracts and master leases, of which we secured three in 2020.

The first two were tenders awarded by JTC Corporation, for the management of three Factory-Converted Dormitories ("FCDs") and separately for the master lease to operate four Quick-Build Dormitories ("QBDs").

Two of these QBDs, comprising 2,320 beds, have commenced operations by December 2020, and the remaining two, comprising 4,048 beds, are expected to be operational by 2Q 2021. Centurion is proud to be among the first to operate QBDs, which pilot new specifications for pandemic management, for review and application to purpose-built dormitories in Singapore.

The third contract was a master lease secured in November 2020 from Selangor State Development Corporation ("PKNS") to operate the Group's eighth PBWA in Malaysia, and strategically, our first asset in the central state of Selangor.

Together, the two operational QBDs in Singapore and the PBWA in Selangor enlarged the Group's portfolio by 8,364 beds or approximately 14% in 2020.

Looking ahead, the Asset Enhancement Initiative currently underway in Johor Malaysia, to add approximately 3,600 beds to Westlite Tampoi, is expected to complete in 2Q 2021. Together with the remaining two QBDs due to commence operations in Singapore, the Group's portfolio is expected to grow to 80,776 beds in 2021.

In June 2021, the Group will not exercise the option for the third and final 2 year lease of dwell Selegie in Singapore, as it is not commercially viable given reduction in bed capacity required by the land owner, and expected reduction in international student numbers in Singapore.

BUILDING BACK BETTER

When COVID-19 surfaced, the Group swiftly activated our Pandemic Management Plan across all affected properties. We invested extensively in fittings and equipment, hardware and software, technology as well as human resource, particularly in Singapore PBWA, to implement containment measures.

The effects of this COVID-19 pandemic may be long-drawn, necessitating a slew of pro-active and pre-emptive measures for the road ahead.

As a professional and caring provider of a 'home away from home' for our workers and student communities, Centurion proactively collaborates with government and healthcare authorities, and industry partners to ensure we provide safe, good quality living environments to our residents.

In Singapore, we are in dialogue with relevant government agencies, industry and businesses regarding new specifications for enhanced pandemic management in Purpose-Built dormitories, and the support needed for businesses to implement such changes in a sensible, stable transition.

Pre-emptively, the Group has focussed on operational efficiencies, exploring innovative processes to more efficiently deliver safer and more supportive accommodations to our employer clients and residents.

We are also prudently managing capital and have refinanced S\$55 million of our Medium Term Notes due in February 2022 to April 2024. With net gearing ratio at 48%, interest cover ratio of 3.5x and an average long-term debt maturity of 7 years, Centurion is well-prepared to weather the COVID-19 storm.

Our total cash and undrawn committed facilities have strengthened from S\$158.1 million in 2019 to S\$196.7 million as at 31 December 2020.

EXTENDING APPRECIATION

I am optimistic that recovery in the economy, occupancy and valuations will come as vaccination programmes are rolled out across our operating markets. With the resilience and stability of our portfolio, and the support of our stakeholders, the Group is well-positioned for the recovery.

I would like to thank our Board of Directors for their guidance. I also thank our business partners and community stakeholders for their support.

I am grateful especially to our management team and staff for their unwavering dedication and commitment.

Last but not least, to our Shareholders, thank you for your continued confidence in Centurion.

Yours faithfully

KONG CHEE MIN
Chief Executive Officer

BOARD OF DIRECTORS

MR. LOH KIM KANG DAVID, PBM, BBM

Executive Director and Joint Chairman

Mr. Loh Kim Kang David (羅敬惠) ("Mr. Loh"), aged 57, joined the Company on 8 May 2015 as a Non-Executive Director and was appointed a Joint Chairman of the Board on 13 November 2019. With effect from 1 March 2021, Mr. Loh was re-designated from Non-Executive Director to Executive Director. He is responsible for the formulation of corporate and business strategies of the Company and leads the execution of strategic growth plans of the Group. He was last re-elected a Director of the Company on 25 April 2019.

Mr. Loh has over 20 years of experience in the investment and brokerage industry. He has been a Principal and Director of Centurion Global Ltd, a controlling shareholder of the Company, since April 2008 to present. He previously worked at UOB Kay Hian Pte Ltd (formerly known as Kay Hian Pte Ltd) where his last position was Director (Business Development Consultant) from July 2009 to March 2010 and he was a Director (Dealing) from July 2007 to June 2009, Executive Director (Dealing) from July 1999 to July 2007, and Associate Director (Dealing) from July 1996 to July 1999.

From July 1999 to October 2001, Mr. Loh served as a Managing Director (Management) at UOB Kay Hian (Hong Kong) Ltd (formerly known as Kay Hian Overseas Securities Ltd). Prior to joining UOB Kay Hian Pte Ltd, he was with OUB Securities Pte Ltd as Dealing Director from August 1995 to June 1996. He started his career as Dealer (Dealing Director) at Ong & Company Pte Ltd from November 1989 to August 1995.

Mr. Loh was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2016 National Day Awards. He was previously presented with the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2011 National Day Awards.

Mr. Loh currently is also a director of Cape Incorporation Limited, Centurion Management and Consultancy Services Pte Ltd, Centurion Private Equity Ltd, Centurion US Student Housing Fund, Dloh Strategic Development Pte. Ltd., Luxnovo Asia Ltd, Ohmyhome Pte Ltd, PC Portfolio Pte. Ltd. and Vienna Management Ltd.

Mr. Loh obtained a Bachelor of Science from the University of Oregon in June 1988. He is the maternal cousin of Mr. Han Seng Juan (Non-Executive Director, a Joint Chairman of the Board and a controlling shareholder of the Company).



MR. HAN SENG JUAN, PBM, BBM

Non-Executive Director and Joint Chairman

Mr. Han Seng Juan (韓成元) ("Mr. Han"), aged 58, joined the Company on 8 May 2015 as a Non-Executive Director and was appointed a Joint Chairman of the Board on 13 November 2019. He is responsible for the formulation of corporate and business strategies of the Company. Mr. Han was last re-elected a Director of the Company on 27 April 2018 and will be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2021.

Mr. Han has over 20 years of experience in the investment and brokerage industry. He has been a Principal and Director of Centurion Global Ltd, a controlling shareholder of the Company, since April 2008 to present. He previously worked at UOB Kay Hian Pte Ltd (formerly known as Kay Hian Pte Ltd) where his last position was Director (Business Development Consultant) from July 2009 to March 2010 and he was Director (Dealing) from July 2007 to June 2009, Executive Director (Dealing) from July 1999 to July 2007, and Associate Director (Dealing) from July 1996 to July 1999.

Before joining UOB Kay Hian Pte Ltd, Mr. Han was with OUB Securities Pte Ltd as Dealing Director from August 1995 to June 1996 and Ong & Company Pte Ltd as Dealing Director from November 1989 to August 1995. He started his career as a dealer at UOB Securities Pte Ltd from July 1987 to October 1989.

Mr. Han was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2015 National Day Awards and the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2010 National Day Awards.

Mr. Han currently is also a director of Centurion Management and Consultancy Services Pte Ltd, Centurion Private Equity Ltd and Frontier Empire Limited.

Mr. Han obtained a Bachelor of Science from the University of Oregon in March 1987. He is the maternal cousin of Mr. Loh (Executive Director, a Joint Chairman of the Board and a controlling shareholder of the Company).



BOARD OF DIRECTORS

MR. WONG KOK HOE

Executive Director and Deputy Chairman

Mr. Wong Kok Hoe (黃國豪) ("Mr. Wong"), aged 58, first joined the Company on 1 August 2011 as a Non-Executive Director and Chairman of the Board. On 13 November 2019, Mr. Wong stepped down as Chairman of the Board and was re-designated from Non-Executive Director to Executive Director and appointed as Deputy Chairman of the Board. He was last re-elected a Director of the Company on 27 April 2020.

Mr. Wong is assisted by the Chief Executive Officer and responsible for overseeing the Group's operations and implementation of the Company's business strategies and developing new business opportunities for the Group. He also participates in the formulation of corporate and business strategies of the Company.

Mr. Wong is a Director of Centurion Global Ltd and Centurion Properties Pte Ltd, controlling shareholders of the Company. Mr. Wong is also a Director of several other private companies.

Prior to joining Centurion Global Ltd in 2009, Mr. Wong was admitted as a practising lawyer in Singapore on 14 March 1990. He has more than 18 years of legal experience in corporate law, corporate finance, and mergers and acquisitions. He started his legal career in Drew & Napier before leaving in June 1996 to be a partner in Yeo Wee Kiong & Partners. In October 1999, he joined Rajah & Tann (which was subsequently converted to Rajah & Tann LLP) as a partner and stayed on till June 2008. From July to December 2008, he acted as a consultant in Rajah & Tann LLP.

Mr. Wong obtained a Bachelor of Laws (Honours) degree from the National University of Singapore in June 1989.



MR. TEO PENG KWANG KELVIN

Executive Director
Chief Operating Officer – Accommodation Business

Mr. Teo Peng Kwang (趙炳光) ("Mr. Teo"), aged 61, was appointed as Chief Operating Officer of the Group's accommodation business in August 2011 and an Executive Director of the Company on 8 May 2018. He was last re-elected a Director of the Company on 25 April 2019.

Mr. Teo is presently responsible for the day-to-day operations and expansion of the Group's accommodation business. He also assists the Chief Executive Officer in growth and strategic planning.

Mr. Teo joined in 2007 as an Executive Director of Westlite Dormitory (Toh Guan) Pte Ltd (formerly known as Centurion Dormitory (Westlite) Pte Ltd), one of the Group's subsidiaries acquired in 2011.

Prior to joining the Group, Mr. Teo served as a Director of Maxi Global Management Pte Ltd, a company which then provided housing services for foreign workers, from March 2009 to April 2011. He was also a Director of Maxfresh Leisure Pte Ltd, a company principally engaged in the rental services of fishing boats, from August 2010 to April 2011. From January 2006 to July 2007, he served as a Director of Intertrade (S) Enterprise Pte Ltd, a company principally engaged in chemical trading.

Prior to 2011, Mr. Teo owned and managed various businesses in Singapore including a real estate and construction business. He was a Director of ISO Industry Pte Limited from March 2006 to February 2011 and Maxi Consultancy Pte Limited from December 2008 to January 2010. He was also a Director at Pointbuilt Pte Limited from May 2008 to February 2011, Serangoon Garden Staff Apartment Pte Ltd from March 2009 to August 2011, and Swissplan Dormitory Management Pte Ltd from September 2007 to April 2011.

Mr. Teo currently is also a director of Kelvin & Elvin Investment Pte Ltd, since May 2018, and a director of Cuprina Pte Ltd, since 28 August 2019.

Mr. Teo has been the Vice President of Dormitory Association of Singapore Limited since July 2015 and previously was the President of the same association from October 2012 to June 2015. He has also been an Independent Trustee of the Board of Trustees for the Migrant Workers' Assistance Fund since November 2014.

Mr. Teo completed his primary school education in 1972 at River Valley Primary School.



BOARD OF DIRECTORS

MR. GN HIANG MENG

Lead Independent Director

Mr. Gn Hiang Meng (鄧憲民) ("Mr. Gn"), aged 72, was appointed as an Independent Non-Executive Director on 17 May 2007 and as Lead Independent Director on 1 March 2014. Mr. Gn is also the Chairman of the Audit Committee and a member of the Nominating Committee. He was last re-elected a Director of the Company on 27 April 2020 and will be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2021, at which the continued appointment of Mr. Gn, as an Independent Non-Executive Director, will be subject to separate resolutions to be approved by shareholders in the manner described in Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022).

Mr. Gn was with the United Overseas Bank Group for 28 years. Prior to his resignation in 2001, he was the Senior Executive Vice-President in charge of investment banking and stock broking businesses. He was the Deputy President of UOL Group from 2001 to 2007.

Mr. Gn has served as an Independent Non-Executive Director of Haw Par Corporation Limited (stock code: H02.SI), a company principally engaged in manufacturing, marketing and trading healthcare products, Koh Brothers Group Limited (stock code: K75.SI), a company principally engaged in construction, property development and specialist engineering solutions provider, and SingHaiyi Group Limited (stock code: 5H0.SI), a company principally engaged in investing, developing and managing real estate properties, since 13 August 2014, 16 August 2007 and 1 December 2013 respectively. The shares of these companies are listed on the Mainboard of SGX-ST.

Mr. Gn was an Independent Non-Executive Director of TEE International Limited (stock code: M1Z.SI), a company listed on the Mainboard of SGX-ST and principally engaged in engineering works with business interests in real estate and infrastructure, from 1 June 2013 to 21 January 2021.

Mr. Gn obtained a Bachelor of Business Administration (Honours) degree from the University of Singapore (currently known as the National University of Singapore).

MR. CHANDRA MOHAN S/O RETHNAM, PBM, BBM

Independent Non-Executive Director

Mr. Chandra Mohan s/o Rethnam ("Mr. Mohan"), aged 58, was appointed as an Independent Non-Executive Director on 17 May 2007. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee. He was last re-elected a Director of the Company on 25 April 2019 and will be seeking re-election at the forthcoming Annual General Meeting to be held on 27 April 2021, at which the continued appointment of Mr. Mohan, as an Independent Non-Executive Director, will be subject to separate resolutions to be approved by shareholders in the manner described in Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022).

Mr. Mohan is presently an Advocate and Solicitor and has been a partner at Rajah & Tann Singapore LLP, a law firm in Singapore, since 1995. He is also a Director of Oldham Enterprise Pte Ltd, PC Portfolio Pte. Ltd., SICCI Cares Ltd and SME Centre @ SICCI Pte. Ltd..

Mr. Mohan was a lecturer with the Faculty of Law at the National University of Singapore from July 1989 to March 1995.

Mr. Mohan was appointed to sit on the Singapore Indian Development Association (SINDA) Executive Committee since 2015.

Mr. Mohan has also been a council member of the North West Community Development Council (NWCDC) since 2002, holding the appointments of Chairman for the NWCDC SkillsFuture Standing Committee from 2017, NWCDC Finance Committee (2009-2017), Organising Committee for NWCDC Food Aid Fund for needy residents (2010-2018), and NWCDC Corporate Communications Committee (2006-2009).

He was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2015 National Day Awards. He was previously presented with the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2011 National Day Awards.

Mr. Mohan obtained a Bachelor of Laws (Honours) degree from the National University of Singapore in June 1986 and a Master of Laws degree from the University of Cambridge in July 1989. He is also a Fellow of the Singapore Institute of Arbitrators and a member of the Chartered Institute of Arbitrators in the United Kingdom.



BOARD OF DIRECTORS

MR. OWI KEK HEAN

Independent Non-Executive Director

Mr. Owi Kek Hean (黃格賢) ("Mr. Owi"), aged 63, was appointed as an Independent Non-Executive Director on 1 January 2017. He is also the Chairman of the Nominating Committee and a member of the Audit Committee. He was last re-elected a Director of the Company on 27 April 2020.

Mr. Owi worked with KPMG LLP in Singapore from 1982 until his retirement in October 2015 and had held various senior positions including Head of Tax, Head of Enterprise Services, Finance Partner and Deputy Managing Partner.

Mr. Owi has been appointed as an Independent Director and the Lead Independent Director of SLB Development Ltd, a company which shares are listed on the Catalist Board of SGX-ST (SGX:1J0), since 23 March 2018. He is also an Executive Director of IMO & Partners Pte Ltd, a Director of Centurion US Student Accommodation Holdings Pte Ltd and an Independent Director of Centurion US Student Accommodation Inc.

Mr. Owi obtained a Bachelor of Business Administration degree from the National University of Singapore in May 1981. He is an Accredited Tax Advisor (Income Tax and Goods and Services Tax) with the Singapore Institute of Accredited Tax Professionals.

MS. TAN POH HONG, PBM, PPA(E)

Independent Non-Executive Director

Ms. Tan Poh Hong (陳寶鳳) ("Ms. Tan"), aged 62, was appointed as an Independent Non-Executive Director of the Company on 8 May 2018. She is also a member of the Remuneration Committee and a member of the Nominating Committee. She was last re-elected a Director of the Company on 25 April 2019.

Ms. Tan previously served as the Chief Executive Officer of Agri-Food & Veterinary Authority (AVA) of Singapore from May 2009 to September 2017 and was responsible for the implementation of the organisation's policies and strategies.

Prior to her appointment at AVA, Ms. Tan was Deputy CEO of the Housing and Development Board (HDB) from September 2004 to March 2009, where she was responsible for the planning, development and management of HDB properties. She also held various leadership positions in HDB, ranging from sales and operations to corporate strategy and communications; and policy development.

Ms. Tan has been appointed an Independent Director of Sheng Siong Group Ltd., a company incorporated in the Republic of Singapore which shares are listed on Mainboard of SGX-ST, since 5 January 2018. She is also an Independent Director of AnnAik Limited, a company incorporated in the Republic of Singapore which shares are listed on the Catalist Board of SGX-ST, since 26 July 2018. She has also been a Director on the Board of Barramundi Asia Pte Ltd since 5 March 2018, an Independent Director of VICOM Group Ltd (a company listed on the Mainboard of SGX-ST) since 25 April 2019, a Director of Jilin Food Zone Pte Ltd since 1 October 2019 and an Independent Director of APAC Realty Limited (a company listed on the Mainboard of SGX-ST) since 1 October 2020.

Ms. Tan obtained a Bachelor of Science (Honours) in Estate Management from the National University of Singapore, and a Master of Business Administration (with Distinction) from New York University. She was awarded the Public Administration Medal (Gold) in August 2013, and the Public Service Medal in August 1999 by the Singapore Government.



BOARD OF DIRECTORS

MR. LEE WEI LOON

Independent Non-Executive Director

Mr. Lee Wei Loon (李維倫) ("Mr. Lee"), aged 41, was appointed as an Independent Non-Executive Director of the Company on 13 November 2019. He is also a member of the Remuneration Committee. He was last re-elected a Director of the Company on 27 April 2020.

Mr. Lee has been a Director of Watchbox Singapore Pte Ltd since 19 September 2019 and, Executive Vice President and CEO of Asia of Watchbox since August 2019.

Mr. Lee was previously an Executive Director, Investment Banking Division, of Morgan Stanley Asia (Singapore) from October 2017 to August 2019 and a Director Commissioner of PT Morgan Stanley Asia International (Indonesia) from January 2015 to September 2017. Prior to that, he was an Executive Director, Institutional Equities Division, of Morgan Stanley Asia (Singapore) from June 2012 to January 2015, a Director, Asian Equities Sales, at Bank of America Merrill Lynch (Singapore) from May 2010 to June 2012, and Vice President, Asian Equities Sales & Trading, Hedge Fund Sales, of Credit Suisse (New York and Singapore) from May 2004 to March 2010. He was also a Director of Novena Global Healthcare Group (Cayman) from 30 December 2016 to 23 October 2020.

Mr. Lee obtained a Bachelor of Science degree with a major in Finance from the New York University, Stern School of Business in May 2004.



SENIOR MANAGEMENT

MR. LOH KIM KANG DAVID, PBM, BBM

Executive Director and Joint Chairman

Mr. Loh Kim Kang David was re-designated from Non-Executive Director to Executive Director of the Company on 1 March 2021. Please refer to his profile under the Board of Directors section of this Annual Report (see page 08).

MR. WONG KOK HOE

Executive Director and Deputy Chairman

Mr. Wong Kok Hoe was re-designated from Non-Executive Director to Executive Director of the Company in November 2019. Please refer to his profile under the Board of Directors section of this Annual Report (see page 09).

Mr. Kong Chee Min (江志明) ("Mr. Kong"), aged 55, was appointed as the Chief Executive Officer of the Group in August 2011 and is responsible for overall management of the Group's operations, implementation of business strategies and the long-term growth objectives approved by the Board. He joined the Group in March 1996 and was appointed a member of the Board on 28 March 2000. He stepped down as a Board member on 8 May 2015.

Prior to Mr. Kong's appointment as Chief Executive Officer, he was the Regional Chief Executive Officer and Finance Director of the Group. He also assisted the former Group Chief Executive Officer in managing and driving the strategic development and growth of the Group's optical disc business.

Prior to joining Centurion, Mr. Kong was the accountant of General Motors Overseas Distribution Corporation, a company principally engaged in the sales and distribution of motor vehicles, motor vehicles parts and accessories, from April 1994 to March 1996. He was an audit senior at Cooper & Lybrand, an accountancy firm, from June 1991 to April 1994.

Mr. Kong obtained a Bachelor of Accountancy from the National University of Singapore in July 1991. He is currently a member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore).



MR. KONG CHEE MIN
Chief Executive Officer

Ms. Foo Ai Huey (符愛慧) ("Ms. Foo"), aged 52, was appointed as the Chief Financial Officer after the Group enlarged its principal business activities to include the accommodation business. She was previously the Group's Finance Manager since she joined the Company in April 2000.

Currently, she heads the finance team and manages the full spectrum of finance and management reporting requirements.

Prior to joining the Group, Ms. Foo was a Senior Accountant at MOH Holdings Pte Ltd (formerly known as Health Corporation of Singapore Pte Ltd), a company principally engaged in the provision of healthcare services and had also worked as an internal auditor in a Singapore-listed company.

Ms. Foo has accumulated more than 28 years of finance and accounting related experience covering internal audit, taxation, internal control, financial accounting, cost and management accounting in the accommodation, manufacturing, service and healthcare industries.

Ms. Foo obtained a Bachelor of Commerce from the University of Newcastle, Australia, in May 1992. She has been a member of the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore) since 31 August 1996, and a Certified Practising Accountant of the Australian Society of Certified Practising Accountants since 12 September 1994.



MS. FOO AI HUEY
Chief Financial Officer

SENIOR MANAGEMENT

MR. TEO PENG KWANG KELVIN

Executive Director and Chief Operating Officer – Accommodation Business

Mr. Teo Peng Kwang was appointed as Chief Operating Officer of the Group's accommodation business in August 2011 and Executive Director of the Company in May 2018. Please refer to his profile under the Board of Directors section of this Annual Report (see page 09).

Mr. Ho Lip Chin (何立錦) ("Mr. Ho"), aged 52, joined the Group in January 2012 as Director, Investments before his appointment as Chief Investment Officer of Accommodation Business in 2015.

He is responsible for growing the Group's accommodation business and assists in the Group's strategic planning activities. He has over 20 years of experience in the real estate and hospitality industries across Asia Pacific. Prior to joining the Group, he was Director, Real Estate at Centurion Properties Pte Ltd (a subsidiary of our controlling shareholder, Centurion Global Ltd) from May 2010 to January 2012, where he was involved in its real estate investments and workers accommodation business.

From July 2002 to May 2010, Mr. Ho worked in a number of companies in the real estate and hospitality industries. He was a Senior Vice President of Investment at Pramerica Real Estate Investors (Asia) Pte Ltd, a fund management company principally engaged in real estate investment, from March 2008 to May 2010. He was a Director at GE Real Estate Investments Singapore Pte Ltd, a company principally engaged in real estate investment, from February 2007 to August 2007; a Director of Development, Southern Asia, from January 2003 to January 2007 at Intercontinental Hotels Group, a company principally engaged in managing hotels; a Senior Associate from July 2002 to January 2003 at HVS International Singapore, a hospitality consulting firm; an Investment Manager at an investment holding company, HKR Asia-Pacific Pte Ltd, from January 1996 to June 2002; and a Management Trainee at Shangri-La Hotel, a company principally engaged in hotel operations, from September 1994 to March 1995 and from August 1989 to January 1990.

Mr. Ho obtained a Bachelor of Science in Business Administration and a Master of Business Administration from the University of San Francisco.



MR. HO LIP CHIN

Chief Investment Officer – Accommodation Business

Mr. Leong Siew Fatt (梁兆發) ("Mr. Leong"), aged 54, joined the Group in 1993 as an engineer and is currently Head of Student Accommodation Business. He is responsible for the overall management of the Group's student accommodation business across the United Kingdom, United States, South Korea, Australia and Singapore.

Prior to the appointment of his current role, Mr. Leong was responsible for the operations of the Group's workers accommodation in Malaysia as well as the technical and manufacturing operations of its Optical Disc Business. He has extensive technical, operational and management experience spanning 32 years.

Mr. Leong holds a Bachelor of Engineering Management from the University of Western Sydney.



MR. LEONG SIEW FATT

Head, Student Accommodation Business

SENIOR MANAGEMENT

Ms. Lee Geok Ing (李玉英) ("Ms. Lee"), aged 59, was appointed a member of the Board on 11 August 1994 and became the Group's Human Resources and Administration Manager in January 1995. She stepped down from the Board on 18 May 2007 but remains as the Group's Human Resources and Administration Manager.

Ms. Lee has over 34 years of accounting, human resource and administrative experience. Prior to joining the Group, she was the Accounts Executive at Yong Sing Trading Co Pte Ltd, a company principally engaged in the retail sale of household electrical appliances and equipment, from April 1979 to March 1984; and had worked as an external auditor with a local public accounting firm in Singapore.

Ms. Lee obtained her GCE Ordinary Level in 1977 from Singapore-Cambridge General Certificate of Education Examination.



MS. LEE GEOK ING JANICE
Human Resources & Administration Manager

Mr. Lim Choon Kwang (林俊光) ("Mr. Lim"), aged 52, joined the Group in October 2016 as Director of Security, and is responsible for providing strategic leadership to the Group on security management and business continuity.

Mr. Lim has over 28 years of experience in law enforcement and security management in both the public and private sectors, where he last held a regional position as Security Operations Manager with Apple South Asia Pte Ltd, a company principally engaged in the manufacture and distribution of electronic products, from July 2015 to April 2016.

Mr. Lim was Director of Security Management at Singapore Power, a company principally engaged in the transmission and distribution of electricity and gas, from June 2011 to April 2015. Before Singapore Power, Mr. Lim was a Security Consultant in Shanghai as Vice President, Risk Management & Protective Security at Hill & Associates (PRC) Ltd, a company principally engaged in risk management and security consultancy in Asia from July 2010 to May 2011. He also served as Deputy Director of Security at the National University of Singapore (NUS) from May 2009 to July 2010, where he helped in developing a strategic security master plan for NUS.

Before joining the corporate sector, Mr. Lim was a Deputy Superintendent of Police with the Singapore Police Force from April 1996 to May 2009, and had held leadership positions in operations, investigations, specialist operations, and training in public order and public security. His last position held before leaving the civil service was a Senior Analyst in the Singapore Prime Minister's Office.

Mr. Lim obtained a Bachelor degree of Science in Banking and Finance from the University of London in August 1995, and subsequently a Master's degree in Security Management from Australia's Edith Cowan University. In his volunteer role, he is currently serving as an Assistant Regional Vice President for Malaysia and The Philippines for Region 13B at ASIS International, notably the world's largest association for security management professionals.



MR. LIM CHOON KWANG
Director, Global Security

Mr. Yeo Boon Hing, David (楊文興) ("Mr. Yeo"), aged 67, retired as the Director of Corporate Research and Innovation with effect from 1 October 2020. He was responsible for the research and identification of new business models, market trends, innovative technologies and opportunities for the Group's workers and student accommodation business in existing and new markets. He was also tasked to research and make recommendations on new business opportunities that align with the Group's growth.

Mr. Yeo was previously the Group's Regional Sales & Marketing Director, responsible for the regional sales and marketing function of the optical disc business. He has a wealth of in-depth sales and marketing experience and management experience in both local and multi-national organisations. Mr. Yeo first joined Summit CD Manufacture Pte Ltd (now known as Summit Creations Pte. Ltd.), a Singapore subsidiary of the Group, as Sales and Marketing Director in 1997.

Prior to his role as Director of Corporate Research and Innovation, Mr. Yeo was the Chief Executive Officer of Summit CD Manufacture Pte Ltd overseeing its local operations.

Mr. Yeo obtained a Bachelor of Science in Finance and Marketing from the University of Oregon.



MR. YEO BOON HING, DAVID
(Retired with effect from 1 October 2020)
Director of Corporate Research and Innovation

COMPANY SECRETARY

MS. CHEUNG YUET FAN

(張月芬)

Ms. Cheung Yuet Fan ("Ms. Cheung") was appointed as the Hong Kong Company Secretary of the Company on 19 June 2019.

She is a Director of Corporate Services Division of Tricor Services Limited ("Tricor"), a global professional services provider specialising in integrated business, corporate and investor services. Ms. Cheung has over 30 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong-listed companies as well as multinational, private and offshore companies.

She is currently acting as the company secretary or joint company secretary of several companies, the shares of which are listed on The Stock Exchange of Hong Kong Limited. Ms. Cheung is a Chartered Secretary, a Chartered Governance Professional and a Fellow member of both The Hong Kong Institute of Chartered Secretaries ("HKICS") and The Chartered Governance Institute (formerly "The Institute of Chartered Secretaries and Administrators") in the United Kingdom. Prior to joining Tricor, Ms. Cheung had worked in the Company Secretarial Department of Deloitte Touche Tohmatsu in Hong Kong and also in the role of company secretary and corporate governance area in various Hong Kong listed companies. She holds a Bachelor of Arts degree in Accountancy from City Polytechnic of Hong Kong (now known as City University of Hong Kong). (Note: The Company has engaged Tricor as an external service provider).

MS. HAZEL CHIA LUANG CHEW

(謝鸞秋)

Ms. Hazel Chia Luang Chew ("Ms. Chia") was appointed as Company Secretary of the Company on 30 January 2015. She also previously served as a company secretary of the Company from 12 January 1995 to 17 June 2005 and from 1 January 2006 to 31 July 2014. She has been responsible for the Company's compliance with the relevant statutory and regulatory requirements under the Singapore Companies Act and SGX-ST Listing Rules since her appointment.

Ms. Chia is currently a Director of Alpine Corporate Services Pte Ltd, a professional service provider specialising in corporate secretarial and corporate governance advisory services.

Ms. Chia has over 30 years of experience in corporate secretarial practice, having worked in several established professional business services companies in Singapore, such as, Lim Associates (Pte) Ltd, a member of Boardroom Limited and KCS Corporate Services Pte Ltd, and acted as company secretary of several companies listed on the Singapore Stock Exchange and private limited companies incorporated in Singapore.

Ms. Chia was admitted as a fellow member of the Institute of Chartered Secretaries and Administrators, United Kingdom, in April 2001 and has been a practising chartered secretary to engage in public practice in Singapore certified by the Chartered Secretaries Institute of Singapore (formerly known as the Singapore Association of the Institute of Chartered Secretaries and Administrators) since October 1991.

MS. JULIANA TAN BENG HWEE

(陳明慧)

Ms. Juliana Tan Beng Hwee ("Ms. Tan") was appointed as Company Secretary of the Company on 1 January 2017. She also previously served as a company secretary of the Company from 1 January 2006 to 30 January 2015. She has been responsible for the Company's compliance with the relevant statutory and regulatory requirements under the Singapore Companies Act and SGX-ST Listing Rules since her appointment.

Ms. Tan is currently an Associate Director of Alpine Corporate Services Pte Ltd, a professional service provider specialising in corporate secretarial and corporate governance advisory services.

Ms. Tan has over two decades of experience in corporate secretarial practice, having worked in several established professional business services companies, namely, Lim Associates (Pte) Ltd, a member of Boardroom Limited and KCS Corporate Services Pte Ltd, and acted as company secretary of several companies listed on the Singapore Stock Exchange and private limited companies incorporated in Singapore.

Ms. Tan holds a Bachelor of Science (Economics) in Management Studies from the University of London and was admitted as a practising chartered secretary to engage in public practice in Singapore certified by the Chartered Secretaries Institute of Singapore (formerly known as the Singapore Association of the Institute of Chartered Secretaries and Administrators) in September 2005.

CORE SUBSIDIARIES AND ASSOCIATES

SINGAPORE

CENTURION DORMITORIES PTE LTD
WESTLITE DORMITORY MANAGEMENT
PTE LTD
45 Ubi Road 1 #05-01
Singapore 408696
Tel: (65) 6745 3288
Fax: (65) 6743 3288
Email: enquiry@centurioncorp.com.sg
Website: www.centurioncorp.com.sg

WESTLITE DORMITORY (TOH GUAN)
PTE LTD
28 Toh Guan Road East #02-01
Singapore 608596
Tel: (65) 6316 3018
Fax: (65) 6316 3020
Email: tohguan@westlite.com.sg
Website: www.westlite.com.sg

WESTLITE DORMITORY (WOODLANDS)
PTE LTD
2 Woodlands Sector 2 #01-01
Singapore 737723
Tel: (65) 6250 6616
Fax: (65) 6250 3787
Email: enquiry@westlite.com.sg
Website: www.westlite.com.sg

WESTLITE KRANJI WAY
18A Kranji Way
Singapore 739443
Tel: (65) 6970 4805
Email: enquiry@westlite.com.sg
Website: www.westlite.com.sg

WESTLITE TUAS AVE 2
1A Tuas Avenue 2
Singapore 639467
Tel: (65) 9041 6354
Email: enquiry@westlite.com.sg
Website: www.westlite.com.sg

WESTLITE JUNIPER (MANDAI) PTE LTD
23 Mandai Estate #01-13
Singapore 729937
Tel: (65) 6368 1709
Email: enroll.juniper@westlite.com.sg
Website: www.westlite.com.sg

CSL STUDENT LIVING (SELEGIE) PTE LTD
1A Short Street
Singapore 188210
Tel: (65) 6238 6339
Fax: (65) 6238 1178
Email: enquiries@dwllstudent.com.sg
Website: www.dwllstudent.com.sg

CENTURION-LIAN BENG (PAPAN) PTE LTD
5C Jalan Papan #02-29
Singapore 619420
Tel: (65) 6255 1028
Fax: (65) 6250 2261
Email: enquiry@westlitepapan.com.sg
Website: www.westlitepapan.com.sg

LIAN BENG-CENTURION (DORMITORY)
PTE LTD
34 Mandai Estate #01-15
Singapore 729940
Tel: (65) 6368 1878
Fax: (65) 6468 1687
Email: mandai@westlite.com.sg
Website: www.westlite.com.sg

SM SUMMIT HOLDINGS PTE LTD
SUMMIT CREATIONS PTE LTD
(formerly known as Summit CD
Manufacture Pte Ltd)
45 Ubi Road 1 #04-02
Singapore 408696
Tel: (65) 6745 3288
Fax: (65) 6748 9612
Email: enquiry@smsummit.com.sg
Website: www.smsummit.com.sg

MALAYSIA

CENTURION DORMITORIES SDN BHD
WESTLITE DORMITORY MANAGEMENT
SDN BHD
No. 17, Jalan Ekoperniagaan 1/23,
Taman Ekoperniagaan, 81100 Johor Bahru,
Johor, Malaysia
Tel: (607) 555 9366
Fax: (607) 555 9351
Email: enquiry@westlite.com.my
Website: www.westlite.com.my

AUSTRALIA

CENTURION STUDENT SERVICES PTY LTD
5-17 Flemington Road
North Melbourne VIC 3051
Tel: (613) 8330 2000
Fax: (613) 8330 2001
Email: stayVMC@dwllstudent.com.au
Website: www.dwllstudent.com.au

DWELL ADELAIDE STUDENT LIVING PTY LTD
12-18 Synagogue Place
Adelaide, South Australia 5000
Tel: (618) 8470 9291
Email: StayEastEnd@dwllstudent.com.au
Website: www.dwllstudent.com.au

UNITED KINGDOM

CENTURION STUDENT SERVICES (UK) LTD
Lower Chatham Street, Manchester M1 5SX
United Kingdom
Tel: +44 (0) 161 200 5540
Email: salesenquiries@dwllstudent.co.uk
Website: www.dwllstudent.co.uk

UNITED STATES

DWELL US STUDENT LIVING LLC
200 College Street
New Haven
CT 06510 USA
Tel: +1 203 745 4764
Email: inquiries@dwllstudent.com

SOUTH KOREA

CSL STUDENT LIVING BENIKEA KP LTD.
Dwell Student Living Korea Ltd.
Dwell Dongdaemun
188-5, Hoegi-ro
Dongdaemun-gu, Seoul
South Korea, Republic of Korea (02446)
Tel: +85-2-957 8008/0700
Fax: +85-2-957 1188
Email: staydongdaemun@dwllstudent.co.kr
Website: www.dwllstudent.co.kr

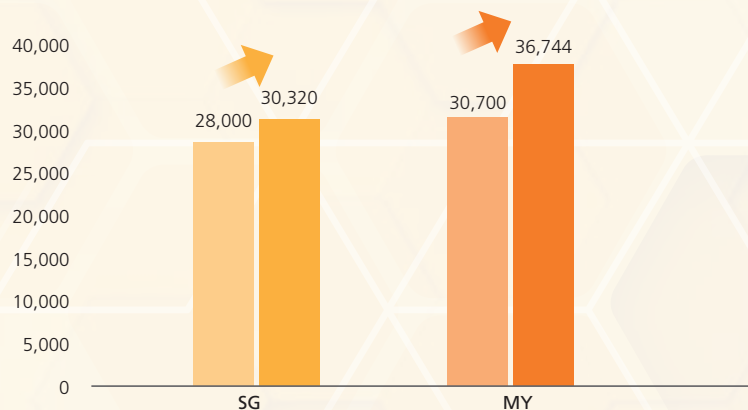


BUILDING A RESILIENT PORTFOLIO

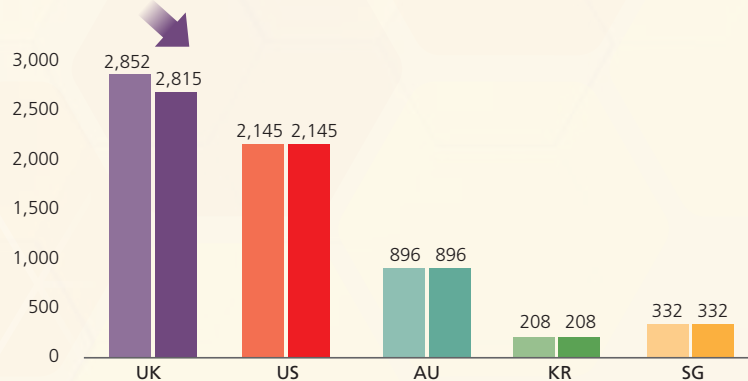
In keeping with Centurion's vision for stable and sustainable growth, the Group has over the years strategically expanded its business portfolio. Today, the Group has a geographically diversified portfolio across two core business segments in six key markets, with workers accommodation and student accommodation each contributing approximately 71% and 28% of Group revenue respectively in FY2020. This business mix enabled the Group to deliver stable net profit growth amid unprecedented global uncertainty.

Despite a difficult environment, the Group managed to expand the operating capacity of its PBWA portfolio, by asset-light means, by 14% or 8,364 beds. These include two quick build dormitories in Singapore, as well as a master lease in Selangor, Malaysia. The remaining two quick build dormitories would add another 4,048 beds when they commence in 2021. The Group is also developing three blocks on a parcel of land at Tampoi which would add 3,600 beds to Westlite Tampoi in 2021.

**PBWA BEDCOUNT GROWTH
(2019 to 2020)**



**PBSA BEDCOUNT GROWTH
(2019 to 2020)**



GLOBAL PRESENCE

As at 31 December 2020, the Group owns and manages 35 operational accommodation assets totalling 73,460 beds, across two specialised accommodation asset types, and six geographic markets. With projects currently under development and undergoing asset enhancement, the Group's portfolio of accommodation assets is expected to grow to approximately 80,776 beds by FY2021.

UNITED STATES

STUDENT ACCOMMODATION

dwel The Towers on State
dwel The Statesider
dwel Logan Square
dwel Tenn Street
dwel Stadium View
dwel College & Crown

UNITED KINGDOM

STUDENT ACCOMMODATION

dwel MSV
dwel MSV South
dwel The Grafton
dwel Cathedral Campus
dwel Hotwells House
dwel Weston Court
dwel Garth Heads
dwel Princess Street
dwel Castle Gate Haus
dwel Archer House

OPERATIONAL

73,460

BEDS IN TOTAL

15

WORKERS ACCOMMODATION

20

STUDENT ACCOMMODATION

IN THE PIPELINE

1

WORKERS ACCOMMODATION IN
MALAYSIA UNDERGOING ASSET
ENHANCEMENT

3,600

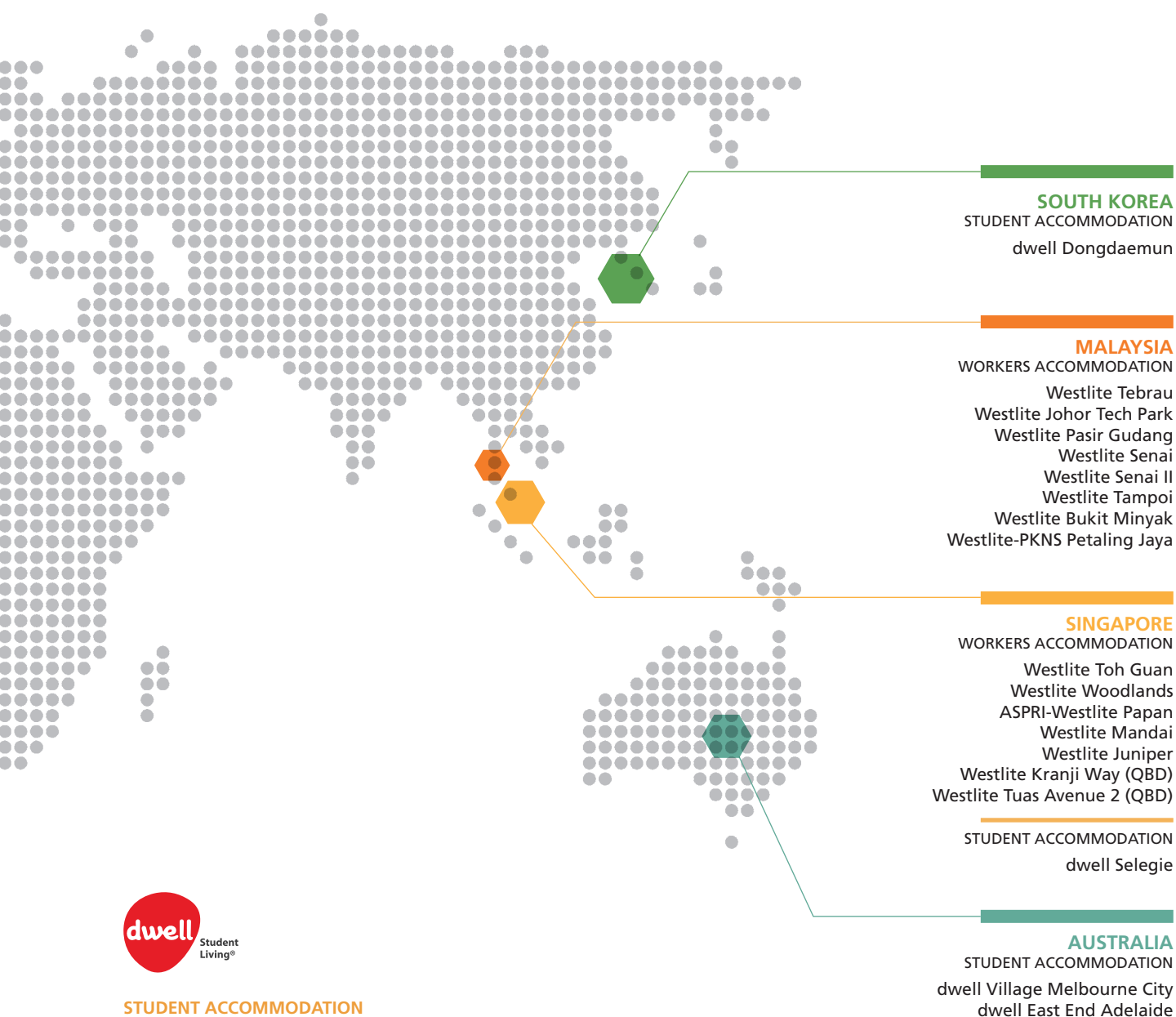
BEDS TO BE OPERATIONAL IN 2021



WORKERS ACCOMMODATION

- Own, develops and manages 15 quality, purpose-built workers accommodation assets in Singapore and Malaysia
- The Westlite brand is synonymous with reliable and quality provision of workers accommodation serving multinational companies and corporates across various industries

GLOBAL PRESENCE



STUDENT ACCOMMODATION

- Owns, develops and manages 20 quality, purpose-built student accommodation assets near leading universities in Singapore, Australia, the United Kingdom, the United States and South Korea
- The dwell brand has extended and deepened its reach globally, becoming a recognised name amongst student communities in urban centres

BUSINESS PORTFOLIO

SINGAPORE

c.30,652

Total beds operational as at 31 December 2020

PBWA

1. ASPRI-WESTLITE PAPAN

(51% owned)

- c.7,900 beds
- Land tenure: 23 years (wef 2015)
- Land area: 14,817 sqm
- First-of-its-kind workers accommodation in Singapore that incorporates a training centre

2. WESTLITE JUNIPER

- c.1,900 beds
- Land tenure: 10-year lease (wef 2019, with an option to renew for another 5 years)
- Land area: 4,255 sqm
- Conveniently located in the Mandai Estate, the accommodation is in close proximity to Sungai Kadut and Woodlands industrial districts

3. WESTLITE MANDAI (45% owned)

- c.6,300 beds
- Land tenure: Freehold
- Land area: 11,265 sqm
- The largest freehold purpose-built workers accommodation in Singapore and caters to workers from all industries

4. WESTLITE TOH GUAN

- c.7,800 beds
- Land tenure: 60 years (wef 1997)
- Land area: 11,685 sqm
- Conveniently located in the Jurong locality with easy access to major expressways, the accommodation caters to workers from all industries

5. WESTLITE WOODLANDS

- c.4,100 beds
- Land tenure: 30 years (wef 2013)
- Land area: 9,542 sqm
- Strategically located near the Woodlands industrial hub, the accommodation caters to workers from the marine, process and manufacturing industries

QBD

6. WESTLITE KRANJI WAY

- c.1,300 beds
- Land tenure: 3-year lease (wef 2020, with an option to renew for another 1 year)
- Land area: 25,497 sqm
- Provides convenience and accessibility for companies within the Kranji industrial estate

7. WESTLITE TUAS AVENUE 2

- c.1,020 beds
- Land tenure: 3-year lease (wef 2020, with an option to renew for another 1 year)
- Land area: 22,390 sqm
- Provides convenience and accessibility for companies nestled within the Tuas Industrial area

PBSA

8. DWELL SELEGIE

- c.332 beds
- Land tenure: 3+3+2 years (wef 2015)
- Land area: 4,408 sqm
- Short walk to Singapore Management University (SMU), LASALLE College of the Arts, School of the Arts Singapore (SOTA) and Kaplan city campuses



BUSINESS PORTFOLIO



BUSINESS PORTFOLIO

MALAYSIA c.36,744

Total beds operational as at 31 December 2020

JOHOR

1. WESTLITE JOHOR TECH PARK

- c.5,800 beds
- Land tenure: 99 years (wef 2013)
- Land area: 14,314 sqm
- One of the largest purpose-built workers dormitory in Johor

2. WESTLITE PASIR GUDANG

- c.2,000 beds; c.400 beds (leased adjacent block in Westlite Pasir Gudang)
- Land tenure: 99 years (wef 1986); 6+3 years lease (wef 2019)
- Land area: 8,391 sqm; 2,268 sqm
- Located near the industrial zone within Pasir Gudang

3. WESTLITE SENAI

- c.2,600 beds
- Land tenure: Freehold
- Land area: 20,310 sqm
- Located near established industrial parks in Senai where several major multinational electronics manufacturers are based

4. WESTLITE SENAI II

- c.5,900 beds
- Land tenure: Freehold
- Land area: 19,071 sqm
- Located near established industrial parks in Senai where several major multinational electronics manufacturers are based



BUSINESS PORTFOLIO



5

5. WESTLITE TAMPOI

- c.5,300 beds
- Land tenure: Freehold
- Land area: 28,328 sqm
- Located in one of the established industrial zones in Iskandar, Malaysia within close proximity to several major multinational electronics manufacturers

Development of additional 3 blocks
(Under construction)

- c. 3,600 beds
- Expected to be completed in 2Q 2021



6

6. WESTLITE TEBRAU

- c.2,100 beds
- Land tenure: 60 years (wef 2000)
- Land area: 5,718 sqm
- One of Johor's first purpose-built workers accommodation

PENANG

7. WESTLITE BUKIT MINYAK

- c.6,600 beds
- Land tenure: Freehold
- Land area: 17,900 sqm
- Centurion's first Westlite Accommodation outside Johor



7

SELANGOR

8. WESTLITE-PKNS PETALING JAYA

- c. 6,044 beds
- Land tenure: 21-year lease (wef 2020, with an option to renew for another 9 years)
- Land area: 80,480 sqm
- First Westlite Accommodation in Selangor



8

BUSINESS PORTFOLIO

UNITED KINGDOM c.2,815

Total beds operational
as at 31 December 2020

BRISTOL

1. DWELL HOTWELLS HOUSE

- c.157 beds
- Land tenure: 125 years (wef 2009)
- Land area: 2,400 sqm
- Short walk to the main University of Bristol campus

LIVERPOOL

2. DWELL CATHEDRAL CAMPUS

- c.383 beds
- Land tenure: 250 years (wef 2007)
- Land area: 16,400 sqm
- Close proximity to Liverpool John Moores University, Liverpool Institute of Performing Arts, and Liverpool City Centre

MANCHESTER

3. DWELL MSV

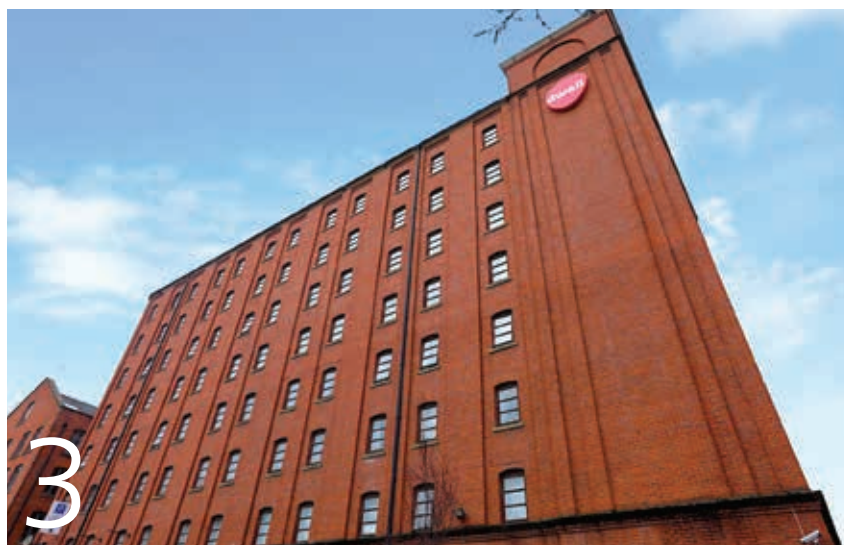
- c.1,017 beds
- Land tenure: Freehold
- Land area: 4,500 sqm
- Easy access to the University of Manchester and Manchester Metropolitan University campuses, as well as Manchester City Centre

4. DWELL MSV SOUTH

- c.355 beds
- Land tenure: Freehold
- Land area: 6,300 sqm
- Short walk from the city campuses to the North and Fallowfield to the South

5. DWELL THE GRAFTON

- c.145 beds
- Land tenure: Freehold
- Land area: 2,000 sqm
- Located off the main Oxford Road and short walk to the University of Manchester's main campus



BUSINESS PORTFOLIO



6

6. DWELL PRINCESS STREET

- c. 127 beds
- Land tenure: freehold
- Land area: 500 sqm
- Short walk to University of Manchester and Manchester Metropolitan University

7. DWELL WESTON COURT

- c. 140 beds
- Land tenure: 125 years (wef 2008)
- Land area: 3,700 sqm
- Short walk to the University of Manchester – Fallowfield Campus



7

NEWCASTLE

8. DWELL GARTH HEADS

- c. 181 beds
- Land tenure: 125 years (wef 1995)
- Land area: 2,000 sqm
- Located within a short walk to both Northumbria University and Newcastle University

NOTTINGHAM

9. DWELL ARCHER HOUSE

- c. 177 beds
 - Land tenure: freehold
 - Land area: 1,133 sqm
- Located close to the University of Nottingham and Nottingham Trent University



8



9

10. DWELL CASTLE GATE HAUS (14.29% OWNED)

- c. 133 beds
- Land tenure: freehold
- Land area: 1,230 sqm
- Short walk to Nottingham Trent University and short drive to the University of Nottingham



10

BUSINESS PORTFOLIO

UNITED STATES c.2,145*

Total beds operational
as at 31 December 2020

ALABAMA

1. DWELL LOGAN SQUARE

- c.642 beds
- Land tenure: Freehold
- Land area: 45,891 sqm
- Located close to Auburn University

CONNECTICUT

2. DWELL COLLEGE & CROWN

- c.206 beds
- Land tenure: Freehold
- Land area: 4,484 sqm
- Preferred apartments located close to University and Yale New Haven Hospital

FLORIDA

3. DWELL TENN STREET

- c.624 beds
- Land tenure: Freehold
- Land area: 76,769 sqm
- Quality student apartments located close to Florida State University, Florida A&M University, and Tallahassee Community College

TEXAS

4. DWELL STADIUM VIEW

- c.216 beds
- Land tenure: Freehold
- Land area: 23,755 sqm
- Apartments are located close to Texas A&M University

WISCONSIN

5. DWELL THE STATESIDER

- c.226 beds
- Land tenure: Freehold
- Land area: 809 sqm
- Off-campus apartments located close to University of Wisconsin

6. DWELL THE TOWERS ON STATE

- c.231 beds
- Land tenure: Freehold
- Land area: 1,983 sqm
- Quality student apartments located close to University of Wisconsin

*28.7% owned through the Centurion US Student Housing Fund



BUSINESS PORTFOLIO



AUSTRALIA c.896

Total beds operational
as at 31 December 2020

ADELAIDE

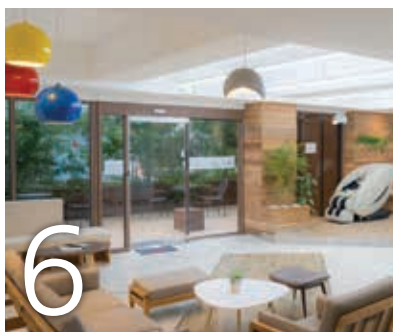
1. DWELL EAST END ADELAIDE

- c.280 beds
- Land tenure: Freehold
- Land area: 598 sqm
- Located close to University of Adelaide and University of South Australia – City East Campus

MELBOURNE

2 & 3. DWELL VILLAGE MELBOURNE CITY

- c.616 beds
- Land tenure: Freehold
- Land area: 6,200 sqm
- Centurion's first student accommodation asset
- Located close to Melbourne's Central Business District, RMIT University and University of Melbourne



SOUTH KOREA c.208

Total beds operational
as at 31 December 2020

4, 5 & 6. DWELL DONGDAEMUN (55% OWNED)

- c.208 beds
- Land Tenure: Freehold
- Land Area: 968 sqm
- Short walk to Kyunghee University, University of Seoul, KAIST (fka Korea Advanced Institute of Science and Technology) and Hankuk University of Foreign Studies

KEY FIGURES

REVENUE (FY2020)

↓ S\$128.4m

from S\$133.4m in 2019

4% decrease YoY

GROSS PROFIT (FY2020)

↓ S\$89.6m

from S\$96.9m in 2019

8% decrease YoY

CORE PROFIT¹ (FY2020)

↑ S\$41.3m

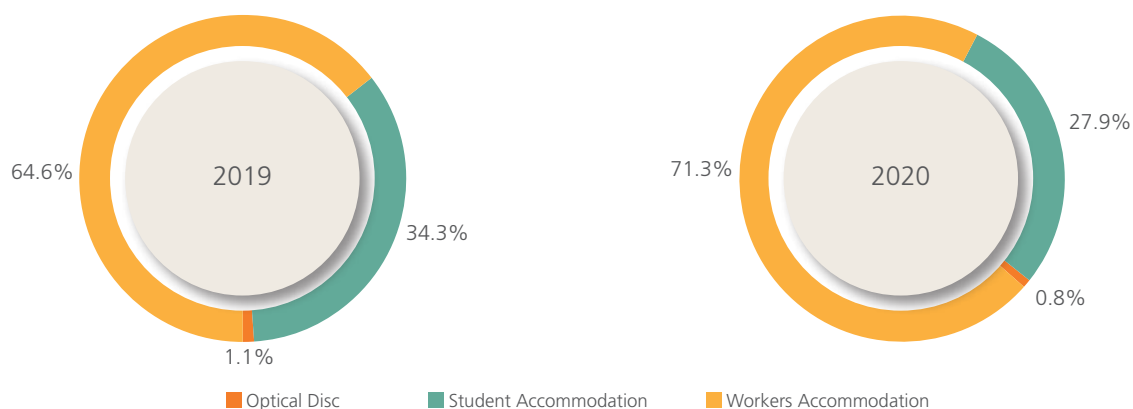
from S\$38.2m in 2019

8% increase YoY

¹ Attributable to equity holders

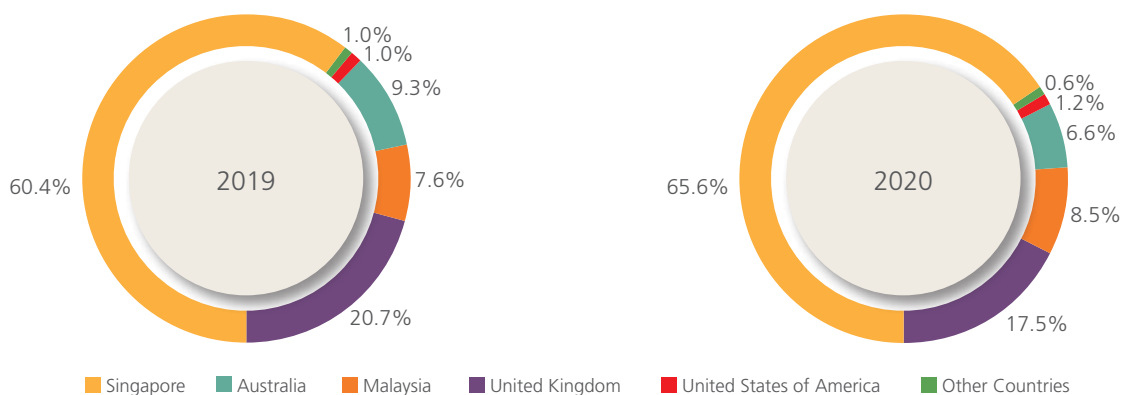
SEGMENTAL REVIEW

REVENUE CONTRIBUTION BY BUSINESS SEGMENT (%)



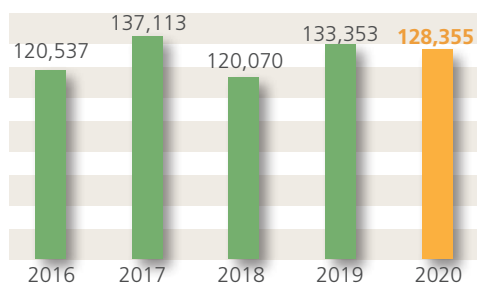
SEGMENTAL REVIEW

REVENUE CONTRIBUTION BY GEOGRAPHY (%)

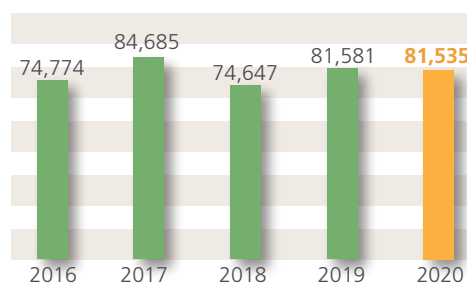


KEY FIGURES

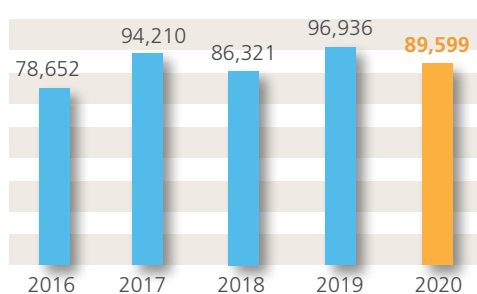
REVENUE (\$'000)



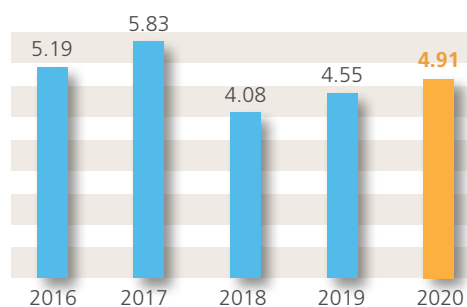
EBITDA – CORE BUSINESS² (\$'000)



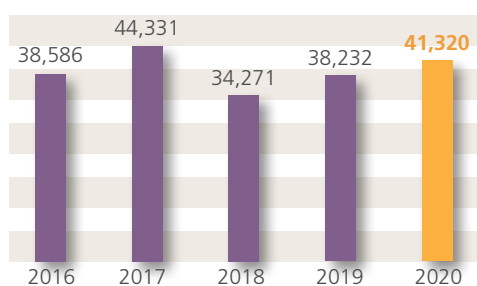
GROSS PROFIT (\$'000)



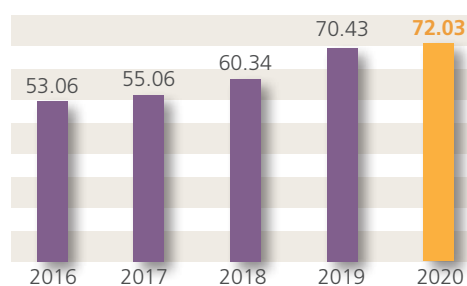
EARNINGS PER SHARE – CORE BUSINESS² (CENTS)



NET PROFIT¹ FROM CORE BUSINESS² (\$'000)



NET ASSET VALUE PER SHARE (CENTS)



¹ Attributable to Equity Holders of the Company

² Core business exclude one-off items which refer to fair value gains/losses on investment properties and rent guarantee, deferred tax arising from fair value changes, dual primary listing expenses, loss on disposal of assets held for sale and gain on disposal of a subsidiary.

FINANCIAL REVIEW

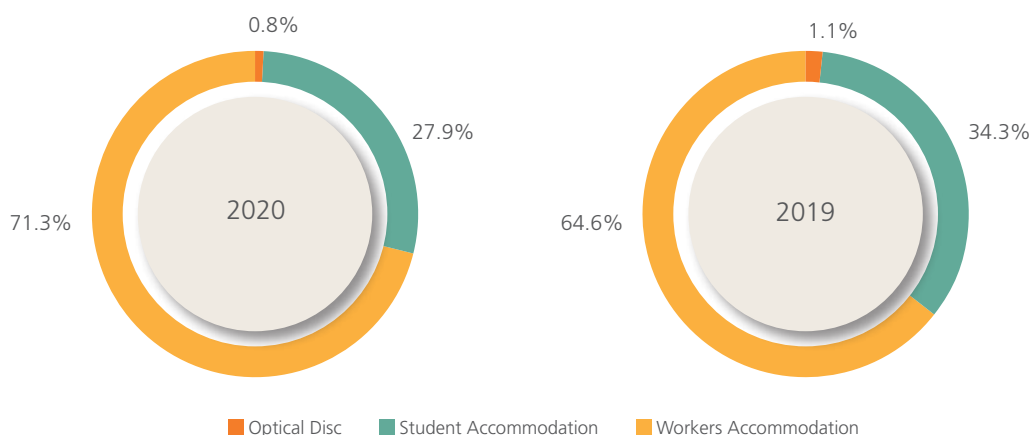
FINANCIAL HIGHLIGHTS

(S\$'000)	FY2020	FY2019	Change
Revenue	128,355	133,353	-4%
Gross Profit	89,599	96,936	-8%
Gross Profit Margin	70%	73%	-3pp
Net Profit After Tax (including one-off items*)	18,711	103,788	-82%
Net Profit After Tax[#] (including one-off items*)	17,171	99,951	-83%
Profit from Core Business Operations[#] (recurring, excluding one-off items*)	41,320	38,232	+8%

Attributable to Equity Holders of the Company

* One-off items mainly refer to \$25.9 million fair value losses (FY2019: \$63.0 million fair value gains) on investment properties and assets held for sale, including those of associated companies and joint venture, and \$1.4 million gain on disposal of a subsidiary

REVENUE CONTRIBUTION BY BUSINESS SEGMENT



GROSS REVENUE

The Group reported a revenue of S\$128.4 million in FY2020, which declined 4% from S\$133.4 million in FY2019.

The decline was largely attributable to lower occupancy due to COVID-19 across almost all the Group's entire portfolio, particularly the Group's student accommodation in the United Kingdom ("UK") and Australia.

The Group's student accommodation assets in the UK experienced the largest impact from COVID-19. Revenue in UK was affected by the early lease termination offered for the final semester of UK Academic Year

19/20. As COVID-19 continues to disrupt the education sector, bookings of the accommodation portfolio for the new Academic Year 20/21 were also affected.

Similarly, dwell Village Melbourne City (formerly known as RMIT Village) experienced an occupancy of 45% for FY2020 as compared to 88% in FY 2019. The state borders were closed to both international and interstate travel, and universities ceased face-to-face teaching to contain the spread of COVID-19. The occupancy for dwell East End Adelaide was also lower at 73% as compared to 90% in FY2019.

The reduction was partially offset by revenue contribution from dwell Archer House which was added to the portfolio in Dec 2019. As a result, the student accommodation business recorded an average 65% occupancy rate in FY2020, and accounted for 27.9% of the Group's revenue.

Revenue for the Singapore purpose-built workers accommodation assets ("PBWA") was impacted by lower occupancy rates at 94% in FY2020 as compared to 98% in FY2019. Singapore PBWA's reduction in

¹ Excluding US

² Excluding QBDs

FINANCIAL REVIEW

revenue due to the lower occupancy rates was mitigated by revenue from Westlite Juniper which was added to the portfolio in 2H 2019 as well as the management fee income and revenue derived from the management of three Factory-Converted Workers Dormitories and two Quick Build Dormitories ("QBDs") in FY2020.

The Group's PBWA in Malaysia enjoyed a healthy occupancy rate of 80% in FY 2020, up four³ percentage points from 76% in FY2019.

The Group reported a 6% year-on-year increase in revenue from the Group's workers accommodation business to S\$91.5 million, which accounted for 71.3% of the Group's revenue.

The Optical Disc Business, wholly-owned and operated through one of the Group's subsidiaries with a sole production plant in Singapore, contributed the remaining 0.8% in revenue. Revenue from this business segment decreased from S\$1.4 million in FY2019 to S\$1.1 million in FY2020, on the back of continued weakness in the physical optical disc media business environment.

While there remains uncertainty on the economic recovery from the COVID-19 pandemic, the Group remains optimistic and continues to strengthen its leading position in the PBWA sector within Singapore, and further build on its first mover advantage in Malaysia. The Group also maintains a positive outlook for its student accommodation business, given the general strong demand and undersupply of PBSA beds in the key markets the Group operates in.

PROFITABILITY

Gross profit declined 8% to S\$89.6 million in FY2020 mainly due to reduced revenue and additional operating expenses, which included additional manpower costs and costs relating to COVID-19 precautionary measures of S\$2 million incurred to manage the COVID-19 situation, substantially in the workers accommodation.

Other income, net of other losses, increased by S\$3.9 million. This was largely attributable to S\$4.2 million of government grant income, net of rental support provided to tenants in FY2020 and a S\$1.4 million gain on disposal of Shanghai Huade Photoelectron Science & Technology Co. Ltd

in China. This was offset by an S\$1.3 million allowance for doubtful debts in FY 2020 and a S\$0.5 million impairment of property, plant and equipment in dwell Selegie.

Due to the lower interest rate environment, finance expenses decreased by S\$5.4 million to S\$23.3 million.

Following an independent valuation of the Group's investment properties and assets held for sale as at 31 December 2020, the Group recorded net fair valuation losses of S\$27.6 million in FY2020 as compared to fair value gains of S\$66.3 million in FY2019. The net fair valuation losses in FY2020 was a reflection of market conditions caused by the COVID-19 pandemic, in contrast to the substantial fair value uplift recorded in FY2019, which was mainly due to an extension by 25 years of the Group's Westlite Toh Guan investment property's period of use for a worker dormitory.

As a result, the net profit after tax derived from the Group's operations for FY2020 was S\$18.7 million, a year-on-year decline of 82%.

Excluding one-off items, the profit derived from the Group's core business operations was S\$47.3 million in FY2020, up 9% from the year ago period.

The Group's net profit from core business operations attributable to equity holders of the Company increased 8% to S\$41.3 million in FY2020.

Earnings per share ("EPS") based on core business operations in FY2020 increased 0.36 cents from 4.55 cents in FY2019 to 4.91 cents in FY2020. Net asset value per share for the Group stands at 72.03 cents for FY2020, as compared to 70.43 cents in the same period a year ago. This increase is largely attributed to the profit for the year as well as currency translation gains arising from consolidation as AUD and GBP has strengthened against SGD.

CASH FLOWS

The Group's operational accommodation assets continued to generate positive operating cash flows, before working capital changes, of S\$75.2 million in FY2020, stable from S\$75.4 million in FY2019.

Given the uncertain macroeconomic environment triggered by the COVID-19 pandemic, the Group took prudent steps

to conserve cash flows from investing and financing activities.

In FY2020, after divesting dwell Beechwood House in UK, Cemerlang in Malaysia, the Shanghai Huade Photoelectron Science & Technology subsidiary and its factory in Shanghai, China and disposing financial assets at FVOCI, investing activities provided net cash of \$6.1 million after offsetting additions to investment properties.

The Group recorded net cash used in financing activities of S\$29.1 million in FY2020, compared to S\$52.0 million in FY2019, following the redemption of the Multicurrency Medium Term Notes (MTN) Series 4 Notes, repayment of borrowings, interest paid as well as dividends paid to the shareholders.

As a result of the above activities, the Group's cash and cash equivalents increased S\$37.5 million or 1.8x from S\$46.4 million in FY2019 to S\$83.9 million in FY2020.

CAPITAL AND RISK MANAGEMENT

Foreign Currency Risks

The Group is cognisant of its exposure to the UK, Australia, Malaysia, Korea, and the United States (US) markets and consequently, the possible foreign currency fluctuations that could affect the stability of those income streams.

Exposures to foreign currency risks are managed as far as possible by natural hedges where the Group matches its sales and purchases in the same foreign currency. Regular monitoring and analysis by the management and the Board are done so that any relevant risks can be addressed, and appropriate measures can be carried out to minimise the exposure.

Liquidity Risks

The Group's prudent liquidity risk management includes maintaining sufficient cash balances and the availability of funding through an adequate amount of committed credit facilities.

To manage liquidity risk arising from expansion and development plans, the Group ensures that there are sufficient cash and short terms deposits and bank facilities to meet any short-term liabilities and unanticipated fund requirements. In view of the disruptions brought about by COVID-19 during the year, the Group has successfully

³ Include Bukit Minyak, exclude PKNS

FINANCIAL REVIEW

secured moratoria on principal repayments from its banks and financial institutions. As at 31 December 2020, the Group's cash and bank balances increased 1.8x to S\$83.9 million.

Apart from the available cash, short term deposits and committed banking facilities, the Group also has an available MTN Programme facility of up to S\$750 million in which the Group can readily tap the debt capital market for funds. Centurion has successfully raised S\$365 million from debt capital markets over five different occasions over the years, including the latest issuance of the MTN Series 5 of S\$55 million in FY2020.

Capital Management

The Group's objectives when managing capital are to safeguard its ability to operate profitably and to maintain an optimal capital structure to maximise shareholder value.

With active debt and capital management policies in place, the Group maintained a well-spread out debt maturity profile to manage refinancing risks. This is done through the management's prudent financing strategy for the Group's long-term investment properties by securing a long-term bank debt for each property.

As at 31 December 2020, the Group had an average long-term bank debt maturity profile averaging 7 years while its net gearing ratio stands at 48%, 3 percentage points lower compared to 51% as at 31 December 2019. The Group's interest cover continues to be adequate and is within its interest cover threshold, standing at 3.5 times (or 4.8 times interest cover, excluding interest from the MTN).

To ensure sustainable growth in the long run, the Group will balance between acquiring operating assets which will contribute to the current income, and investing in development projects for future growth.

DIVIDENDS

The Group remains focused on enhancing long-term shareholder value by managing and growing its business to deliver sustainable earnings growth.

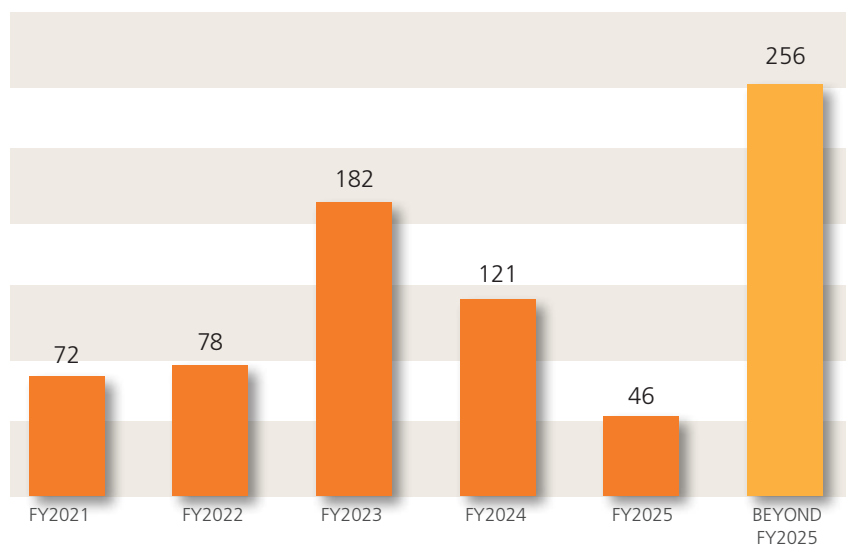
Although the Group does not have a fixed dividend policy, it has a track record of distributing cash dividends to shareholders in line with financial performance.

However in FY2020, in view of the uncertainties resulting from the COVID-19 pandemic, no interim dividend and final dividend were declared, as part of the Group's efforts to conserve cash resources.

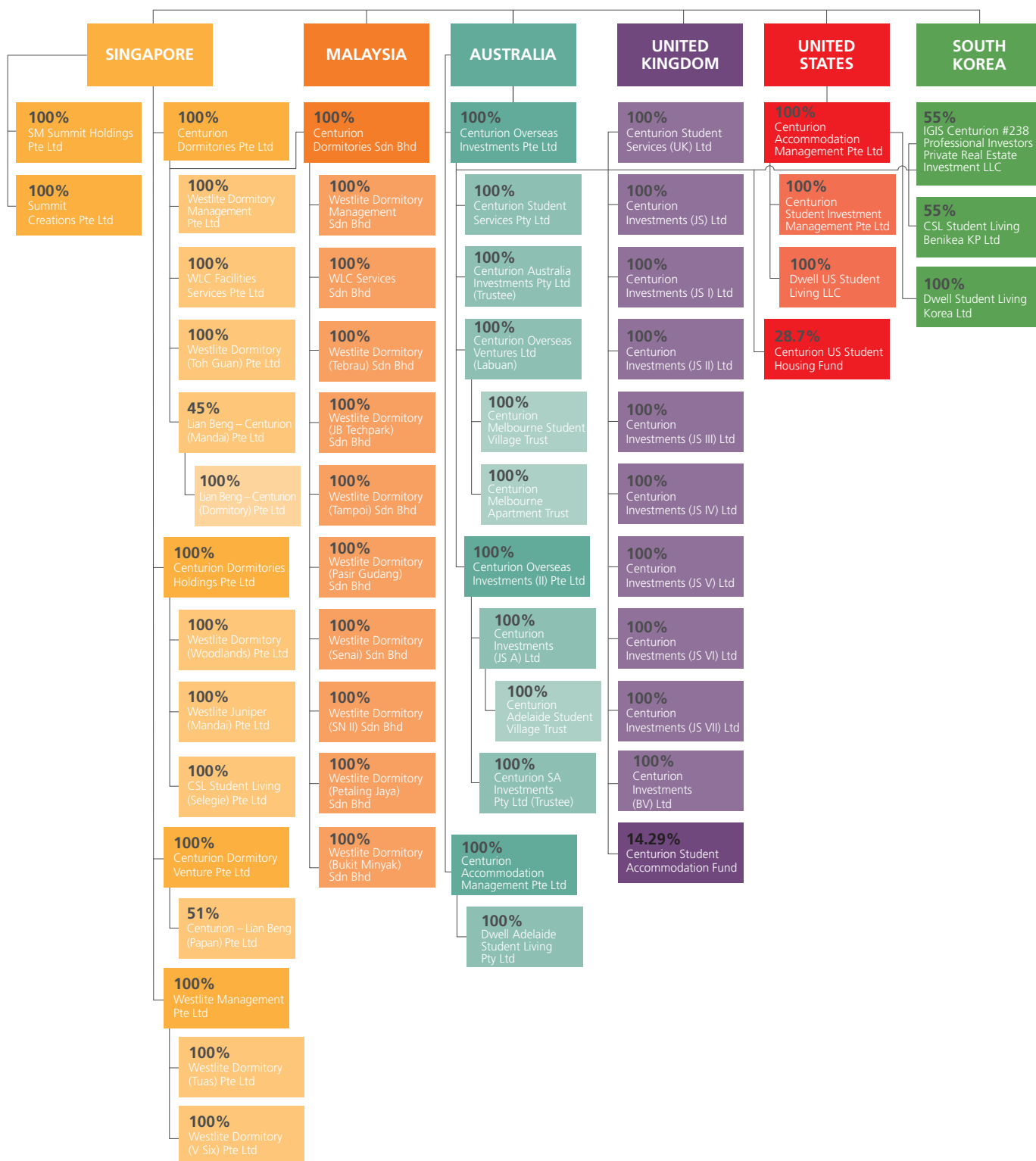
In the long term, we remain confident in the fundamentals of our business and the resilience of our strategic asset classes.

The Board intends to continue proposing the distribution of dividends to reward shareholders, after taking into consideration the Group's growth strategy, future operations and earnings, capital requirements and surpluses, general financial conditions and other factors which the Board deems relevant.

DEBT MATURITY PROFILE AS AT 31 DECEMBER 2020 (\$\$'M)



GROUP STRUCTURE

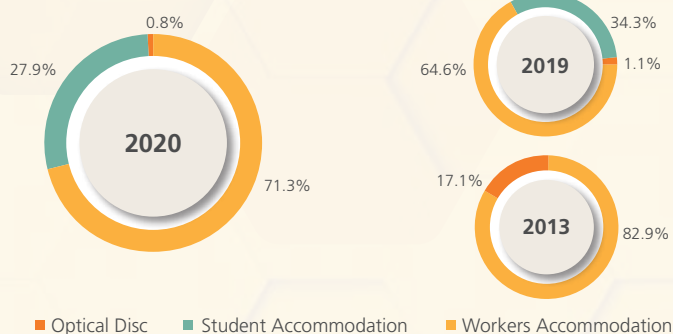


DELIVERING SUSTAINABLE RESULTS

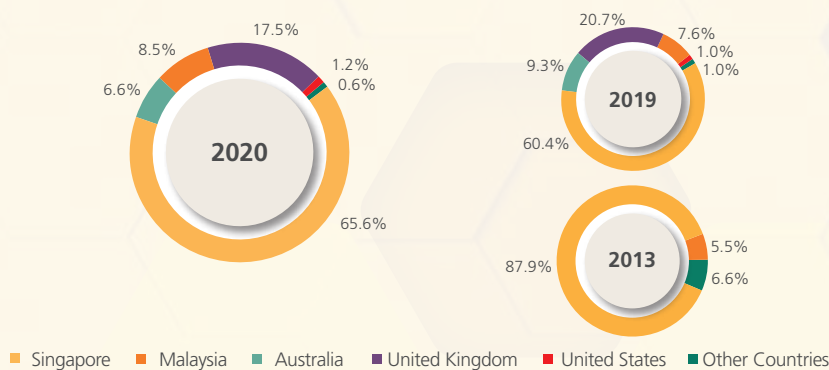
When COVID-19 surfaced, Centurion demonstrated its agility in its swift implementation of its Business Continuity Plan and Pandemic Management Plan, minimising the pandemic's disruption to its business and to its residents' well-being. The Group was quick to pivot towards engaging customers and employees virtually, implementing new technologies to enhance communications and interactions between staff and stakeholders, which enabled effective implementation of business operations and pandemic management measures.

As vaccination programmes roll out in 2021, the global economy is expected to gradually normalise and recover from the COVID-19 shock. Migrant workers have returned to work, travel restrictions have begun to ease, and universities are cautiously resuming classes. Given the strategic locations of its assets, as well as robust and pent-up demand in both the student and migrant worker segments, Centurion is well-positioned to benefit from the recovery.

REVENUE BY BUSINESS SEGMENT (%)



REVENUE BY GEOGRAPHY (%)





OPERATIONS REVIEW

BUILDING A STABLE AND RESILIENT PORTFOLIO

2020 has been a test of resilience for the Group's portfolio of 35 operational PBSA and PBWA assets, which are diversified across six countries: Singapore, Malaysia, Australia, the UK, the US and South Korea.

When COVID-19 hit economies at the start of the year and with the virus spreading among workers, our first priority was to safeguard the health, safety and well-being of our staff as well as our workers and student residents and to support them during this period. The Group implemented a series of precautionary measures and contingency actions to address the COVID-19 situation at its properties across all its operating countries and worked with local authorities to monitor, respond to, and manage the COVID-19 situation as it develops. In Singapore, the Group further voluntarily extended rebates to its employer-tenants, while in the UK and Australia, the Group introduced early lease terminations, deferrals and flexible lease options, to its affected student residents.

Apart from providing a safe and secure living environment for workers and students within its existing portfolio properties, the Group recalibrated its expansion plans and successfully enlarged its portfolio and revenue stream via prudent, asset-light means, increasing the Group's operating bed capacity by 13% year-on-year to 73,460 beds as at 31 December 2020.

Firstly, the Group secured a management service contract from JTC Corporation to manage three Factory-Converted Dormitories ("FCD") comprising approximately 4,000 beds, for a period of six months with the option of another six months' extension. This contract is a pure management contract and beds managed are not included as part of the portfolio. Shortly after, the Group further was awarded a second contract from JTC Corporation, to master lease and operate four new quick build dormitories ("QBDs"), which comprise approximately 6,368 beds, for a term of three years with an option to extend by an additional year. With this second contract, Centurion became amongst the first to lease and operate QBDs in Singapore, which are part of a national programme piloting new specifications for migrant workers' care and pandemic management in purpose-built dormitories in Singapore.

The Group recalibrated its expansion plans and successfully enlarged its portfolio and revenue stream via prudent, asset-light means, increasing the Group's operating bed capacity by 13% year-on-year to 73,460 beds as at 31 December 2020.

In Malaysia, the Group secured a master lease from Perbadanan Kemajuan Negeri Selangor ("PKNS"), also known as Selangor State Development Corporation, to operate a purpose-built workers accommodation comprising approximately 6,044 beds, in Petaling Jaya, Selangor. The lease for the ready-built property has commenced in December, for a tenure of 21 years with option to extend for a further 9 years. Apart from this, the development of three additional blocks on a parcel of land at Westlite Tampoi is also underway, with expected completion in 2021. This asset enhancement initiative will increase the capacity at existing Westlite Tampoi by approximately 3,600 beds.

In 2020, given the uncertain economic situations surrounding the COVID-19 outbreak, the Group decided not to proceed with the proposed green-field development of a purpose-built workers accommodation at Juru Penang, Malaysia. As part of portfolio rebalancing, the Group also divested some of its non-core property assets, such as dwell Beechwood House in the UK, Cemerlang in Malaysia, and an optical disc factory

in Shanghai. The Group has also decided not to exercise the lease extension option for the management of dwell Selegie, the Group's only student accommodation asset in Singapore, when its current lease expires in June 2021.

SINGAPORE

The Group operates five purpose-built workers accommodation assets and two QBDs with a total of approximately 30,320 beds in Singapore as at 31 December 2020.

Westlite Toh Guan, conveniently located in Jurong, caters to workers from all industries. Westlite Mandai is one of Singapore's largest freehold PBWAs, and caters mainly to the construction, manufacturing, and service industries. Westlite Woodlands is strategically located near the Woodlands industrial hub, and accommodates workers in the northern part of Singapore, from the marine, process and manufacturing industries. Westlite Juniper is situated near the Sungai Kadut, Mandai and Woodlands industrial districts and caters mainly to construction and service industry workers. ASPRI-Westlite Papan is

1. Westlite Kranji Way facade



OPERATIONS REVIEW



2



3

2. Westlite Mandai residents in room during lock down period

3. Employees and resident volunteers helping with food distribution at Westlite Toh Guan

located close to Jurong Island, a pillar of Singapore's petrochemicals industry, and caters to the Oil & Gas, Chemical, Process and Construction industries. This portfolio of five quality PBWA assets is strategically located in industrial estates and fully comply with prevailing local government regulatory requirements under the Foreign Employee Dormitories Act.

Of the four QBDs whose master leases were awarded to the Group in 2020, Westlite Kranji Way and Westlite Tuas Avenue 2 have commenced operations as at 31 December 2020 and are ramping up their occupancies. The remaining two QBDs are expected to commence progressively by 2Q 2021.

Amid challenging economic conditions in 2020, the PBWA portfolio's average financial occupancy rate in Singapore, excluding the new QBDs, slipped to 94% in 2020 from 98% in 2019.

Separately, amid travel restrictions and fewer issuances of foreign student visas, the Group's PBSA asset in Singapore, dwell Selegie, suffered a compression of average occupancy rate from 89% in 2019 to 74% in 2020. The Group will not take up the third and final phase of the 3+3+2 year lease with SLA when the current lease expires in June 2021.

MALAYSIA

The Group wholly-owns and operates eight workers accommodation assets with a total of approximately 36,744 beds, spanning

Johor in the South, Penang in the North and Selangor in the Central region.

The newest addition to the portfolio of assets is Westlite-PKNS Petaling Jaya, a PBWA in Selangor. Well-located within a mature industrial area, this PBWA serves a number of industrial estates such as Sungai Way Industrial Zone, Subang Hi-Tech Industrial Park and Taman Perindustrian Subang Utama. The other seven PBWA assets in Malaysia are Westlite Tebrau, Westlite Johor Tech Park, Westlite Pasir Gudang, Westlite Senai, Westlite Tampoi, and Westlite Senai II in Johor, and Westlite Bukit Minyak in Penang.

All these assets are strategically located in proximity to industrial estates, and primarily support the manufacturing industries within these estates. Built to high specifications, each property is compliant with prevailing Department of Labour Peninsular Malaysia ("JTKSM") regulatory requirements and meets international ethical standards set by organisations such as the International Labour Organization and Responsible Business Alliance.

Following the amendment to Malaysia's Worker's Minimum Standards of Housing and Amenities Act, which requires employers to provide quality housing to migrant workers, demand for quality PBWA has been encouraging, and the average occupancy rate for PBWA portfolio in Malaysia has grown year-on-year, from 76% to 80%.

AUSTRALIA

In Australia, the Group owns and operates two PBSA assets with 896 beds, namely dwell East End Adelaide and dwell Village Melbourne City.

dwell East End Adelaide is sited in a prime location in Adelaide, near both the city centre and university campuses. It is newly fitted out, with well-designed purpose-built facilities and amenities. At dwell Village Melbourne City (formerly known as RMIT Village), the Asset Enhancement Programme was completed in 2019, adding a new wing and 160 beds to the property. dwell Village Melbourne City is located attractively close to the Melbourne City precinct and near both RMIT and the University of Melbourne.

With the COVID-19 pandemic, both Adelaide and Melbourne have been impacted. Victoria, in particular, experienced two consecutive lockdowns across most of 2020, and demand for student accommodation in Melbourne continues to be affected. As a result, the average occupancy in Australia fell from 88% a year ago to 54% in 2020.

SOUTH KOREA

In South Korea, following refurbishments to the asset, dwell Dongdaemun began operations in February 2019. However with the COVID-19 pandemic, universities ceased exchange and language programmes, which curtailed efforts to ramp up occupancy in this asset. As a result, average occupancy declined from 39% in 2019 to 29% in 2020.

OPERATIONS REVIEW

UNITED STATES

The Group's student housing private fund, the Centurion US Student Housing Fund, holds six freehold PBSA assets totalling 2,145 beds in five states – dwell Logan Square in Alabama, dwell Stadium View in Texas, dwell Tenn Street in Florida, dwell The Statesider and dwell The Towers on State in Wisconsin, and College & Crown which is situated near Yale University in New Haven, Connecticut.

Unlike other markets in Centurion's PBSA portfolio, the average occupancy in the United States improved in 2020 as compared to 2019, because the assets cater mainly to domestic students, who were not subjected to lockdown or travel restrictions.

Centurion through its wholly owned subsidiaries, holds approximately 28.7% of the total number of units in issue in the Centurion US Student Housing Fund, and is the manager of the fund and its assets. The Group also manages the properties' operations, under its dwell Student Living brand.

UNITED KINGDOM

The Group owns and operates 2,815 beds in 10 freehold or long leasehold PBSA assets across five cities as at 31 December 2020.

The freehold assets are dwell Manchester Student Village, dwell Manchester Student Village South, dwell Princess Street and dwell The Grafton in Manchester, as well as dwell Castle Gate Haus and dwell Archer House in Nottingham. The long leasehold properties are dwell Cathedral Campus in Liverpool and dwell Weston Court in Manchester; dwell Garth Heads in Newcastle, and

dwell Hotwells House in Bristol. The Group disposed of the 37-bed dwell Beechwood House in December 2020.

The Group's student accommodation assets have been selectively acquired within the established education precincts of Manchester, Liverpool, Nottingham, Newcastle and Bristol, and located within walking distance or close proximity to these cities' main university campuses and city centres.

All are fully owned and managed by Centurion under its dwell Student Living brand, while dwell Castle Gate Haus is held by the Group's second private fund, in which the Group holds a stake of 14.3%.

The Group's UK portfolio was impacted in 2020 by COVID-19 lockdowns, travel restrictions and universities shifting their programmes online. Both international and domestic students were unable to return to their universities, which resulted in a lower average financial occupancy rate of 70% in FY2020 as compared to 93% in FY2019. In 2Q, the Group extended an early termination option to its UK PBSA residents, for the remainder of their leases for the Academic Year 19/20.

Despite gradual lifting of travel restrictions and resumption of on-campus activities, the COVID-19 situation remains fluid. While demand from international students remain uncertain, domestic student demand has begun to return. Apart from the assets in Manchester where the COVID-19 outbreak continues unabated, average occupancy is gradually recovering.

BUILDING A GREENER BUSINESS

The Group is also cognisant that climate change and resource scarcity are pressing global issues that will demand a coordinated response from governments, companies, and individuals. However, in 2020, Centurion's environmental resource consumption increased as residents spent more time in their accommodations during lockdowns, and with the extensive measures that the Group implemented to battle the COVID-19 pandemic as it prioritised the well-being of its staff and residents.

Nonetheless, Centurion Corporation continues to be committed to mitigating these environmental issues over the long run. To that end, the Group continued initiatives to install energy conserving LED lights in its US properties, which helped reduce energy consumption, and has also implemented an internal recyclables programme to encourage residents to separate containers, paper and cardboard from general waste. In 2020, total non-hazardous waste generated at our properties decreased 12% to 1,977 tonnes.

Further details can be found in the Sustainability Report section.

4. dwell UK organised various contactless activities to support residents' emotional well-being

5. dwell US organised various events to keep residents engaged during pandemic



MARKET OUTLOOK

The outlook for the Group's globally diversified specialised accommodation portfolio remains positive, given the resilience of its asset classes, bolstered by positive demand fundamentals across markets.

FY2020 has been fraught with uncertainties but Centurion's revenue and operating profits were in line with analysts' expectations. The resilience of Centurion's business is forged through its 10-year track record of owning and operating a strategically diversified portfolio of quality assets through peaks and troughs.

In Singapore and Malaysia, Centurion is a leading owner-operator of PBWA, which contributed over 71% of the Group's revenue in FY2020. Due to the pandemic, occupancy at its PBWAs declined, as the Group activated its Pandemic Management Plan and adhered to requirements of the Singapore Government to provide containment facilities and activities.

Centurion's portfolio of PBSA is globally diversified, with an established presence in the UK, the US, Australia, Singapore and South Korea. Due to the pandemic, which necessitated travel bans or disruption of study programmes, occupancy levels at our PBSAs were strained. To mitigate the impact, Centurion has stepped up on efforts to attract bookings, including short term lets, as well as tapping growing domestic demand. As part of prudent portfolio management, the Group has after careful consideration, decided not to renew its lease for the 332-bed dwell Selegie student accommodation in Singapore.

As the COVID-19 condition normalises, the Group's quality assets are well-positioned to meet the pent-up demand from international and domestic students, as well as from employers of migrant workers who look to provide their workers with accommodation that are in line with government regulatory requirements and their corporate ethical standards. The occupancy levels at its PBWA and PBSA assets will also benefit from the resumption of business and travel activities, alongside the continued rollout of several approved vaccines globally.

WORKERS ACCOMMODATION – SINGAPORE

Singapore's Ministry of Trade and Industry ("MTI") maintained its growth forecast for Singapore at 4.0 to 6.0%¹. MTI expects the manufacturing sector to expand at a faster

pace than previously projected, but the construction sector's recovery could be slower due to a dearth in contracts in 2020 and the requirement for safe management measures.

The population of work permit holders from construction, marine shipyard, and process sectors who are required to stay in PBWAs is estimated to be approximately 352,000 in 2020. This represents a decline in migrant worker demand for dormitory beds, as many workers had returned home after dormitory isolations were lifted in 3Q 2020. However, the migrant worker population is expected to increase gradually in 2021, as the Singapore Government has allowed the arrival of new or returning foreign workers into Singapore, under strict quarantine and clearance regimes.

The supply of PBWA beds, estimated to be over 208,000, has expanded in 2020 as temporary accommodation, such as Quick Build Dormitories ("QBDs"), Construction Temporary Quarters ("CTQs") and Temporary Living Quarters ("TLQs") were developed or permitted by the Government as interim COVID-19 management measures. The supply of interim accommodation solutions, however, will reduce as many of the TLQs are expected to be discontinued by the first half of 2021. Other interim solutions, namely the QBDs, are intended to operate for three to four years, and serve to pilot new specifications being evaluated for pandemic management needs in future dormitories. The QBDs will be replaced, in time, by permanent purpose-built dormitories which the government have announced will be newly developed over the next three to four years.

Centurion is amongst the first operators to manage QBDs, having been awarded the master leases in 2020 for four QBDs which have been developed by JTC Corporation. Of these four QBDs, two have commenced operations as at 31 December 2020 and occupancy has been ramping up at a good pace. The remaining two are expected to commence operations by 2Q 2021 and contribute to operating revenue for the year. In the long term, Centurion believes that purpose-built dormitories will continue to be the preferred option for housing migrant workers.

The Group is actively engaged in dialogues with relevant Government authorities regarding the future specifications for permanent purpose-built dormitories, and the related requirements for existing PBWA, as well as government support for industry and businesses to implement changes in a stable transition. At the same time, the Group continues to explore opportunities to participate in the development and management of interim and permanent PBWA assets addressing pandemic management needs.

WORKERS ACCOMMODATION – MALAYSIA

Malaysia's industrial production index rebounded in December after two months of decline, rising 1.7% from a year earlier on higher manufacturing output². The manufacturing sector is a major employer of migrant workers in Malaysia, which reports an estimated 2.3 million registered names, and 3 million more undocumented workers³.

In late 2019, the Malaysian Government passed the Amendment to the Workers' Minimum Standards of Housing and Amenities Act, which requires employers to provide accommodation of specified standards and quality for their workers⁴.

This has led to increased demand for quality worker accommodation, and growing occupancy in the Group's Westlite Malaysia portfolio, despite the government allowing extensions of the compliance period to employers.

During the COVID-19 outbreak, while the Malaysian Government has implemented various rounds of Movement Control Orders ("MCOs") across different states, the MCOs have not affected the financial occupancies of the Group's Malaysian assets.

¹ Source: Economic Survey of Singapore 2020

² Source: The Business Times - Malaysia's Dec factory output rises 1.7% y-o-y, better than forecast, 8 February 2021

³ Source: The Star - 'Get foreign workers tested', 10 July 2020

⁴ Source: Malay Mail - New rules for employees' minimum housing standards from Sept 1: Employers to comply or be fined RM50,000, 30 August 2020

MARKET OUTLOOK

To curb the spread of COVID-19, the Malaysian Government has stepped up enforcement of the requirement for employers to comply with the Amendment to the Workers' Minimum Standards of Housing and Amenities Act⁵, including gazetted an emergency ordinance compelling employers to provide lodging with sufficient living space and amenities for their migrant workers.

Westlite Malaysia is able to meet the requirements of the new legislation, and the Group is working with the Department of Labour Peninsular Malaysia ("JTKSM") towards the certification of its assets in compliance to the standards of the Act⁶.

STUDENT ACCOMMODATION – UNITED KINGDOM

UK universities continue to rank high globally, which acts as a draw for international students, who constitute about one-fifth of the student population⁷. However, with the pandemic throttling travel and face-to-face teaching, demand from international students is relatively uncertain compared to domestic demand.

The number of 18-year-olds in England and Wales is forecast to steadily increase at an 11-year CAGR of approximately 2% to over 720,000 in 2030⁸ and would contribute to new demand for student accommodation. During the fourth quarter of 2020, over 250 thousand 18-year-olds have commenced their university education, marking a new high in the UK⁹.

Surveys show that 97% of UK universities are planning to teach courses in person in the new 2020/2021 school term. Addressing continued uncertainty as to when lockdowns are lifted, on-campus teaching resumes and

students can return to the university cities, Centurion offers flexible leases in order to attract and retain lease commitments during the hiatus.

STUDENT ACCOMMODATION – AUSTRALIA

In Australia, the number of international students living in Australia by mid-2021 is expected to halve to around 300,000, with Melbourne experiencing the greatest fall¹⁰.

International students who have enrolled to study in Australian universities in 2021 face difficulties entering the country as the federal government has prioritised the repatriation of citizens and residents stranded overseas¹¹. Against this, occupancy in the Group's PBSA assets in Melbourne and Adelaide were impacted but we anticipate a gradual recovery as travel resumes between countries.

Domestic student demand, on the other hand, is expected to grow. In the next decade, the population aged 19 and younger will form around 35% of the total population, supporting Australia's education sector in the long term.

At the same time, the supply of PBSAs in Australia remains under-supplied compared to other global education hubs, at 6% of total student population¹².

STUDENT ACCOMMODATION – UNITED STATES

Centurion manages six PBSA assets in five cities in the US, through a private fund established and managed by the Group, in which the Group holds a 28.7% stake.

Although the number of new international students physically present in the US has

declined 72% in 2020¹³, international students form less than 2% of the Group's portfolio occupancy. The Group's US assets cater mainly to domestic students, and as the US did not implement restriction on inter-state or inter-city travel, the US portfolio was able to achieve an improvement in occupancy and rental rates despite a difficult year.

⁵ Source: Today Online – Malaysia enforces requirement for improved worker accommodation to rein in Covid-19, 18 February 2021

⁶ Source: Selangor Journal – Ministry tells employers to apply for certificate of accommodation, 24 December 2020

⁷ Source: S&P Global Market Intelligence – COVID-19 crisis stresses UK student accommodation's reliance on foreign students, 21 December 2020

⁸ Source: S&P Global Market Intelligence – UK student accommodation sector prospects improving after hard COVID-19 lesson, 1 December 2020

⁹ Source: UCAS – More students from the most disadvantaged backgrounds across the UK are set to start degrees this autumn, 24 September 2020

¹⁰ Source: Mitchell Institute for Education and Health Policy – Coronavirus and international students, October 2020

¹¹ Source: The Straits Times – Lack of international students jeopardising Australia's global standing: Universities, 19 January 2021

¹² Source: Nuveen – Australia: The enduring merit of education, 20 November 2020

¹³ Source: World Education News + Reviews: The Pandemic Drives Unprecedented Decline in International Students, 24 November 2020

1. *dwel East End Adelaide resident attending Induction Session*

2. *Westlite Juniper team*



1



2

MARKET OUTLOOK

The Group remains confident that the demand for quality PBSA in the US will continue and expects the performance of the portfolio to improve with increased and active management.

STUDENT ACCOMMODATION – SOUTH KOREA

In South Korea, universities cancelled short-term language or exchange programmes at the height of the pandemic¹⁴. With the resumption of travel in the last months of 2020, international students have begun to return, and occupancy of dwell Dongdaemun is gradually recovering. In the meantime, dwell Dongdaemun has widened its marketing efforts to include local professionals.

Including the PBWAs and PBSAs in the markets the Group operates in, as well as projects currently under development and undergoing asset enhancement works, the Group's portfolio of accommodation assets is expected to grow from approximately 73,460 beds in 2020 to approximately 80,776 beds in 2021.

The Group continues to closely monitor and manage the disruptions due to COVID-19, and will make further announcements in the event of material changes. Overall, the outlook for the Group's globally diversified specialised accommodation portfolio remains positive, given the resilience of its asset classes, bolstered by positive demand fundamentals across markets.

¹⁴ Source: The Straits Times – Coronavirus: Universities suspend exchange programmes to South Korea, advise students there to come back, 25 February 2020

¹⁵ Centurion Overseas Investments Pte. Ltd. holds approximately 14.3% of the total number of units in the Centurion Student Accommodation Fund, which acquired dwell Castle Gate Haus

¹⁶ Centurion Overseas Investments Pte. Ltd. holds approximately 28.7% of the total number of units in the Centurion US Student Housing Fund, which acquired all six US properties

3. Food distribution with safe distancing observed at Westlite Toh Guan during lock down period

4. dwell College and Crown staff assisting with room maintenance

EXPECTED GROWTH IN BED CAPACITY IN 2021 MARKETS

	Operating Capacity (no. of beds)	
	FY2020	Expected (2021)
Workers Accommodation		
Singapore	30,320	34,368
Malaysia	36,744	40,344
Student Accommodation		
UK ¹⁵	2,815	2,815
US ¹⁶	2,145	2,145
Australia	896	896
South Korea	208	208
Singapore	332	–
Total	73,460	80,776



INVESTOR RELATIONS

PROACTIVE & TRANSPARENT COMMUNICATION

In addition to creating long-term value for our stakeholders, Centurion remains committed to fostering strong relationships with all shareholders and the financial and investment communities by engaging them in regular and transparent communications. Beyond just compliance to fulfil our disclosure duties, we seek to communicate proactively and allow existing and potential investors to make informed decisions.

As a listed company, we believe that our commitment to high standards of corporate governance, together with a demonstrated track record of strong performance, are instrumental to creating long-term value for shareholders. This includes practising active and timely voluntary disclosure about the Group's operations and developments. Centurion goes above and beyond to ensure that all necessary information is provided in a clear, concise and accurate manner, to shareholders and the investment community.

Centurion continues to support the Securities Investors Association Singapore's ("SIAS") efforts to promote its "Good Corporate Governance Policies" initiative. Through this initiative, SIAS aims to highlight good corporate governance practices which are critical in safeguarding the financial market and the broader market.

The Company continues to adopt high standards of transparency and regularly reaches out to existing and potential investors, analysts, media and shareholders

through various communications channels and programmes such as our corporate website, corporate announcements, general meetings and outreach activities, throughout the year. The accolades awarded to the Company across the years are testament to our commitment to strong corporate governance and investor relations.

MULTIPLE COMMUNICATIONS CHANNELS

Website, Corporate Announcements and Alert Services

Centurion fully understands the need to share timely and accurate information about the Group with our shareholders and the wider investment community, to enable a transparent assessment of the company's performance and value.

We have effective systems of stakeholder communications in place, such as open dialogue channels to ensure transparency and accountability. All Centurion's corporate announcements, financial statements, press releases, publications and presentation slides are accessible from the Singapore Exchange website ("SGX") (SGX stock code: 0U8), Stock Exchange of Hong Kong Limited ("SEHK") (SEHK stock code: 6090) and our corporate website (www.centurioncorp.com.sg).

All new announcements, such as corporate developments, financial statements, news releases and presentation slides are posted on the corporate website following its release to the SGX and SEHK to ensure prompt dissemination of information to shareholders in Singapore and Hong Kong.

Our website also offers an email alert service, where the public, analysts, shareholders and potential investors can sign up for notifications on the latest corporate announcements and Singapore Exchange filings.

ANNUAL OR EXTRAORDINARY GENERAL MEETING

Centurion holds its Annual General Meeting ("AGM") every April in Singapore, with access provided to shareholders in Hong Kong via virtual channels. Extraordinary General Meetings ("EGM") will be held, when relevant, to discuss specific issues.

AGMs and EGMs serve as a platform for shareholders to interact with the Board of Directors and management, as well as to decide on proposed resolutions. The AGM also allows the management to share with shareholders the strategic direction of the Group and for the Board of Directors and management to address shareholders' questions or concerns.

In 2020, due to the Covid-19 pandemic, we held our AGM via webcast in Singapore, with a live stream of the proceedings broadcast to shareholders in Hong Kong. Shareholders were able to submit their questions in beforehand.

OUTREACH ACTIVITIES

The Company understands the importance of engaging in investor relations as a regular, ongoing initiative. Under our investor relations programme, we reach out to our stakeholders through multiple platforms including half-yearly face-to-face results briefings, post-results conference calls, one-on-one and small group investor meetings, non-deal road shows and investor luncheons – to reinforce long-term relationships. We utilise multiple platforms to engage investors and provide them with an in-depth understanding of the Group's business, prospects and challenges.

Centurion's management is committed to being accessible, and engaging institutional investors and analysts on a regular basis to keep them up-to-date on the Group's developments. The Group also utilises multiple platforms to do so.



1. CEO Mr Kong Chee Min speaking at Evolve-AFS 2020 Winners Investor Forum



2. CIO Ho Lip Chin speaking at Scaling New Heights Asia Investment Symposium



3. CEO Kong Chee Min hosting Ministry of Manpower and media visit at new Quick Build Dormitory - Westlite Kranji Way

INVESTOR RELATIONS

2020 / 2021 INVESTOR RELATIONS CALENDAR

Over the past year, despite the challenges brought about by COVID-19, the management effectively reached out to both its existing and prospective investors to raise awareness and interest in Centurion.

Date	Event
January 2020	Scaling New Heights Asia Investment Symposium – Shenzhen, PRC
	Evolve-AFS “2020 Winners” Investment Forum – SG
February 2020	4Q / FY2019 Results Announcement Analysts & Media Briefing via video call
April 2020	FY2019 Annual General Meeting
	Held via webcast in Singapore, with a live stream of the proceedings broadcast to shareholders in Hong Kong
	Presentation to CGS-CIMB institutional clients via webinar
	Presentation to Macquarie institutional clients via webinar
May 2020	Presentation to Credit Suisse institutional clients via conference call
	1Q 2020 Business Updates Announcement
August 2020	2Q / 1H2019 Results Announcement Analysts & Media Briefing via video call
	Presentation to InvestingNote retail clients via webinar
November 2020	3Q 2020 Business Updates Announcement
	Presentation to Phillip Securities retail clients via webinar
February 2021	FY2020 Results Announcement Analysts & Media Briefing via video call
April 2021	FY2020 Annual General Meeting Held via webcast in Singapore, with a live stream of the proceedings for shareholders in Hong Kong

ANALYST COVERAGE

Coverage from analysts remains an important source of information for institutional and retail investors. We regularly engage equity research houses, allowing them to better understand the Group's business and strategic trajectory, so they can reflect accurate information in their coverage reports.

The following equity research houses provide research coverage on Centurion as at 31 December 2020:

Research House	Research Coverage	
	Rated	Non-rated
CGS-CIMB Research	√	
DBS Group Research	√	
RHB Research	√	
UOB Kay Hian Research	√	
KGI Securities		√
Phillip Securities Research		√

COMPANY SHARE INFORMATION

	SGX	SEHK
Stock Code	OU8	6090
Bloomberg Ticker	CENT SP	6090:HK
Closing Price (As at 31 December 2020)	S\$0.35	HKD2.02
Shares Outstanding (As at 31 December 2020)	710,410,785	130,367,839
Market Capitalisation (As at 31 December 2020)	S\$248.6 million	HKD263.3 million
Closing Price Range (FY2020)	S\$0.32 – S\$0.50	HKD1.85 – HKD2.80

FEEDBACK CHANNELS

Centurion actively seeks investors' feedback by encouraging shareholders to share their views or submit their enquiries to the management.

For enquiries or feedback on Centurion, please contact:

David Phey | George Goh

Investor Relations

Phone: (65) 6745 3288

Email: david.hey@centurioncorp.com.sg | george.goh@centurioncorp.com.sg



PUTTING **PEOPLE FIRST**

As one of Asia's leading workers and student accommodation owner-operators, Centurion believes businesses have an important role to play in building back better from the pandemic and should aim to deliver growth not just in financial performance, but also making positive contributions to the environment and community, with high standards of governance, all of which are material topics for the Group.

In 2020, the imperative was to safeguard the lives and livelihoods of our residents and our staff, to which cleaning regimes were raised, and utilisation of virtual platforms increased. Inevitably, this incurred an increase in the consumption of environmental resources such as water, electricity, and consequently carbon emissions. Nonetheless, the installation of energy-efficiency lights and solar panels in some of our assets have yielded positive results and the Group will continue to collaborate closely with stakeholders in its sustainability journey.



SUSTAINABILITY REPORT

TABLE OF CONTENTS

1. OUR APPROACH TO SUSTAINABILITY	52
2. ETHICS AND COMPLIANCE	56
3. ECONOMIC CONTRIBUTIONS	56
4. CARING FOR RESIDENTS AND THE COMMUNITY	57
5. ENVIRONMENTAL PERFORMANCE	59
6. TALENT ATTRACTION, DEVELOPMENT AND RETENTION	61
7. HEALTH AND SAFETY	65



SUSTAINABILITY REPORT



2



3

ABOUT THIS SUSTAINABILITY REPORT

This is the Group's fourth annual sustainability report that aims to provide our stakeholders with an update on the Group's Environmental, Social and Governance ("ESG") performance. It covers the properties in our key markets namely Australia, Korea, Malaysia, Singapore, the United Kingdom ("UK") and the United States of America ("USA"). The contents of this report is based on activities carried out from 1 January 2020 to 31 December 2020 ("FY2020"), unless otherwise stated.

This report has been prepared with reference to the "Global Reporting Initiative Standards: Core option" ("GRI Standards"). This includes adhering to the GRI principles for defining report content including sustainability context, materiality, stakeholder inclusiveness and completeness. It also complies with the Singapore Stock Exchange (the "SGX-ST") "Comply or Explain" requirements for sustainability reporting, as well as the Stock Exchange of Hong Kong Limited ("SEHK") Environment, Social and Governance (ESG) Reporting Guide.

The Group has not sought external assurance for this report.

For further enquiries or questions relating to the report, please write to our Investor Relations contacts, as follows:

DAVID PHEY

Head of Corporate Communications

Tel: +65 6745 3288

Email: david.phey@centurioncorp.com.sg

GEORGE GOH

Investor Relations Manager

Tel: +65 6745 3288

Email: george.goh@centurioncorp.com.sg

1. All hands on deck at ASPRI-Westlite Papan to help residents cope with pandemic lock down
2. Ensuring the quality of catered meals for migrant workers at Westlite Toh Guan
3. dwell Village Melbourne City organised Dog Day for Resi-Life's emotional wellbeing activity

SUSTAINABILITY REPORT

BOARD STATEMENT

At the turn of 2020, very few of us would have expected an onslaught of a pandemic and the disruption it would bring to the way people lived and worked. Yet in just a year, the world has acclimatised, and immunization programmes are being rolled out across nations. Unlike the pandemic, no one can be immune to the detrimental effects of rising temperatures, sea levels, or water and waste pollution. However, experts believe a window of opportunity still exists to change this course.

Given these complexities, the Board of Directors (“**The Board**”) believes that businesses have to an important role to play in building back better from the pandemic and should aim to deliver not just value-adding financial performance, but also make positive contributions to the environment and community, with high standards of governance, all of which are material issues for the Group. With that in mind, Centurion decided that we had to first prioritise in 2020, the lives and livelihoods of our worker residents and their employers, our student residents, and our staff.

The battle against COVID-19 in our worker dormitories goes beyond practising good hygiene. We not only increased the frequency of our cleaning and sanitization regime, but we also supported the delivery of food and necessities to residents who were subject to quarantine and isolation and enhanced our digital channels and content to deliver news, inspiration, and entertainment, providing an uplift to their mental wellness. In addition, to ease the financial strains of our worker-residents’ employers, and our student-residents, we voluntarily provided rent rebates. We also extended early termination options, lease deferrals and flexible lease terms provided to needy students across our PBSA markets.

For our staff, the Group increased hiring of staff to focus on the welfare of our residents. We also continued to preserve existing jobs, tapping government assistance and grants where available.

As we stepped up efforts to safeguard the physical, mental, and social wellbeing of our staff and residents, we inevitably incurred an increase in the consumption of water, energy, and consequently emitted more carbon emissions as an organisation. However, we are heartened that the implementation of environmental initiatives in the US such as switching to LED lights have contributed to an improvement in energy consumption there. Following the installation of solar panels in ASPRI-Westlite Papan in 2018 to 2019, the proportion of energy contributed by renewable energy has also now increased to 9%.

Certainly, Centurion’s journey in sustainability is in motion, and we will continue to collaborate closely with government agencies and non-governmental organisations alike to better understand and address our stakeholders’ expectations. We look forward to your support.

Yours faithfully,
For and on behalf of the Board

HAN SENG JUAN
LOH KIM KANG, DAVID
Joint Chairmen



Westlite Christmas Facebook Live event held by team in India

SUSTAINABILITY REPORT

ESG PERFORMANCE OVERVIEW

	2020	2019	2018
ENVIRONMENTAL			
Electricity Purchased (MWh)	27,344	28,389	26,632
Electricity Intensity (kWh/person)	673	647	607*
Energy Used (GJ)	99,062	102,000	95,876
Scope 2 GHG Emissions (tCO ₂ e)	13,689	12,694	13,240
GHG emissions intensity (kgCO ₂ e/person)	334	289	301*
Water consumption (m ³)	3,016,914	2,909,650	2,818,414
Water Intensity (m ³ /person)	74	66	64*
SOCIAL			
Employees			
Full-time employees	393	334	351
Female employees (%)	40%	43%	43%
Average training hours per employee	13	24	18
Training expenditure per employee (S\$)	118	382	413
New hires	155	98	125
Community			
Community investment (S\$)	583,019	490,663	326,380
ECONOMIC PERFORMANCE			
Total revenue	S\$128.4 million	S\$133.4 million	S\$120.1 million
Gross profit	S\$89.6 million	S\$96.9 million	S\$86.3 million
Employees wages and benefits	S\$23.5 million	S\$21.2 million	S\$19.1 million
Payments to governments including royalties and taxes	S\$12.0 million	S\$12.2 million	S\$17.5 million
Payments to providers of capital	S\$23.3 million	S\$45.6 million	S\$40.8 million

* Figures for FY2018 have been adjusted using the calculation methodology for FY2019 and FY2020, which is based on physical resident occupancy instead of financial occupancy.

SUSTAINABILITY REPORT

1. OUR APPROACH TO SUSTAINABILITY

i. SUSTAINABILITY GOVERNANCE STRUCTURE

Centurion's Board considers ESG topics as part of strategy formulation. The Board has oversight of the management and implementation of sustainability strategies relating to the material ESG factors and stakeholder engagement. It also monitors and tracks the Group's sustainability performance and progress through periodic reviews. The Board is supported by a sustainability taskforce, which is chaired by the CEO and comprises the Investor Relations team as well as the heads of different business units.

Board of Directors

- Identify, assess, and prioritise material ESG topics
- Oversee the management and implementation of sustainability strategies relating to material ESG factors and stakeholder engagement
- Monitor and track Group's sustainability performance and progress periodically



Sustainability taskforce

- Chaired by CEO and comprising the Investor Relations team and heads of different business units

ii. OUR MATERIAL SUSTAINABILITY TOPICS

We adopt a proactive approach in identifying, mitigating, and managing our key business risks, taking into consideration our stakeholders' views to determine the economic, environmental and social topics which have the largest impact on our business. In addition, we leveraged our enterprise risk management framework to consider a wide range of potential risks.

In 2020, we reviewed the material topics that we first identified in our 2017 Sustainability Report. After considering the changing business landscape, emerging global and domestic trends, regulatory development, as well as stakeholders' opinions, we believe that the topics remain relevant and therefore we have not made any significant changes in the topics covered in this year's report. These topics have been signed off by the Board. Centurion also aligned our material topics with the United Nations Sustainable Development Goals (SDGs), which were launched in 2015 as a call to action to address global priorities by 2030.



1. Westlite Mandai Pasar Malam games for residents

2. Festive Pasar Malam at Westlite Toh Guan

SUSTAINABILITY REPORT

An overview of our material topics is provided in the table below.

iii. MATERIAL ESG FACTORS, BOUNDARIES, DISCLOSURES AND TARGETS

MATERIAL ESG FACTORS			
MATERIAL TOPICS	OUR INVOLVEMENT	TARGETS FOR 2021	CHAPTER COVERED
Economic			
ECONOMIC PERFORMANCE	Direct	<ul style="list-style-type: none"> Maintain consistent rate of return Grow recurring (sustainable) profits and cash flow 	Economic Contributions
INDIRECT ECONOMIC IMPACTS	Direct and Indirect	<ul style="list-style-type: none"> Continue to contribute positively to local economies Continue our existing Corporate Social Responsibility initiatives for residents and local communities 	Caring for our Residents and the Community
ANTI-CORRUPTION	Direct	<ul style="list-style-type: none"> Maintain zero confirmed incidents of corruption 	Ethics and Compliance
Environmental			
ENERGY	Direct	<ul style="list-style-type: none"> Reduce or maintain the current average electricity consumption per person (employee and resident) 	Environmental Performance
WATER	Direct	<ul style="list-style-type: none"> Reduce or maintain the current average water consumption per person (employee and resident) 	Environmental Performance
GREENHOUSE (GHG) EMISSIONS	Direct	<ul style="list-style-type: none"> Establish our baseline emissions and reduce GHG emissions intensity per person in 2021 	Environmental Performance
Social			
ATTRACT, DEVELOP AND RETAIN TALENT	Direct	<ul style="list-style-type: none"> Attract a diverse pool of talent Maintain employee turnover at par or below benchmark average Provide opportunities for ongoing training 	Talent Attraction, Development and Retention
OCCUPATIONAL HEALTH AND SAFETY	Direct and Indirect	<ul style="list-style-type: none"> Achieve zero accidents 	Health and Safety
CUSTOMER HEALTH AND SAFETY	Direct	<ul style="list-style-type: none"> Achieve zero accidents 	Health and Safety
LOCAL COMMUNITIES	Indirect	<ul style="list-style-type: none"> To increase engagement with residents by 10% 	Caring for our Residents and the Community
SOCIO-ECONOMIC COMPLIANCE	Direct	<ul style="list-style-type: none"> Maintain no incident of non-compliance with relevant regulatory standards 	Ethics and Compliance

SUSTAINABILITY REPORT

iv. STAKEHOLDER ENGAGEMENT

To ensure sustainable growth of our business, it is crucial for us to establish trusted relationships with both our internal and external stakeholders.

Our primary stakeholders are groups or individuals who are affected by our business decisions or possess the ability to affect our operations. By ensuring ongoing communication with relevant stakeholders, we can understand their needs, expectations, concerns, and respond effectively. Stakeholder feedback also helps us in identifying our material ESG factors and priorities.

Centurion adopts a proactive approach in engaging our stakeholders. We have summarised the information on our significant stakeholders, how we engage with them, the frequency of such engagements, their key concerns, and our responses in the table below.

OUR STAKEHOLDERS	HOW WE ENGAGE AND FREQUENCY	KEY CONCERNS & EXPECTATIONS	OUR RESPONSE
GOVERNMENT & REGULATORS	<ul style="list-style-type: none"> Senior management representation on board of various industry bodies Quarterly Announcements on SGX and SEHK Interim Reports Annual Reports Sustainability Reports Ongoing dialogue 	<ul style="list-style-type: none"> Workplace health and safety Regulatory compliance Sharing of industry best practices 	<p>We keep ourselves abreast of the prevailing rules and legislations through regular trainings, public seminars, and consultation with external professionals.</p>
CUSTOMERS (INCLUDING RESIDENTS)	<ul style="list-style-type: none"> Annual Customer and Resident Surveys Interim Reports Annual Reports Website and Social Media Resident Life Events Resident Ambassador Programme MyMA app dwell app 	<ul style="list-style-type: none"> Safe and clean living environment Customer service and experience Affordable quality accommodation Timely physical and emotional support during COVID-19 pandemic 	<p>We engage customers and residents via regular social settings or through activities. Additionally, official channels to provide formal feedback are available in all our offices across different locations.</p> <p>Based on the feedback received via Feedback Forms, we have added several new facilities for our worker residents.</p> <p>In addition, we have also introduced various digital platforms to maintain constant communication with our residents as well as provide entertainment and support during the pandemic as residents were required to remain in their apartments at all time.</p> <p>This includes MyMA app, Facebook Live events as well as Zoom Resident activities.</p>
EMPLOYEES	<ul style="list-style-type: none"> Set up Centurion "Happy Committee" – an interdepartmental committee that organises company-wide activities to foster work-life balance and reinforce team spirit Well-structured and open annual performance appraisal system to link performance with remuneration Ongoing training and education opportunities Flexible work arrangements for Safe Work Management during the COVID-19 pandemic 	<ul style="list-style-type: none"> Competitive remuneration and benefits Career development and training opportunities Ethics and conduct Job security Work-life balance Corporate direction and growth plans To enable a safe and healthy work environment during the pandemic crisis, including re-assignment of vulnerable staff and provision of Personal Protection Equipment to all staff 	<p>We provide a conducive, open and transparent environment at our workplace. We gather feedback from employees during both formal appraisals and informal social gathering or communication sessions.</p> <p>We also promote cross-functional training to continuously improve skills and knowledge of our staff through trainings like Brand Workshop and Lunch and Learn sessions.</p> <p>In addition, we frequently conduct employee opinion surveys, which gave us a better understanding of our staff morale, satisfaction, and engagement. The survey results are used to:</p> <ul style="list-style-type: none"> Recognise skilled leaders who engage our staff in a positive way Improve our existing policies Address issues that demotivate staff, compromise customer satisfaction or weaken staff performance.

SUSTAINABILITY REPORT

OUR STAKEHOLDERS	HOW WE ENGAGE AND FREQUENCY	KEY CONCERNS & EXPECTATIONS	OUR RESPONSE
			<p>We implemented extensive measures to safeguard the health of our staff, including:</p> <ul style="list-style-type: none"> activating Work From Home processes to the full extent possible re-assigning vulnerable employees away from frontline, high-risk operations ensuring all staff are supplied with Personal Protection Equipment
INVESTORS AND SHAREHOLDERS	<ul style="list-style-type: none"> Annual General Meeting and Extraordinary General Meeting Quarterly Financial Results and Presentations Interim Reports Annual Reports Regular analyst and media meetings Investor meetings and calls Corporate Website 	<ul style="list-style-type: none"> Business and Growth strategies Acquisitions and Divestments Risk Management Corporate governance Economic performance 	<p>We are committed to adhere to the guidelines under the Singapore Code of Corporate Governance 2018, SEHK Corporate Governance Code, and the current Listing Rules or legislations to ensure transparency and timely dissemination of all material information to our investors and shareholders.</p> <p>Due to COVID-19 travel and physical meeting restrictions, we held our first digital only AGM in April 2020.</p>
SUPPLIERS	<ul style="list-style-type: none"> Tenders Evaluations Annual reviews 	<ul style="list-style-type: none"> Consistent business Clarity of specifications Timely payments 	<p>We have implemented comprehensive policies and processes for the good governance of our procurement system. Furthermore, we regularly engage with our key suppliers to understand and address their concerns in a timely manner.</p>

v. MEMBERSHIPS AND ASSOCIATIONS

Centurion is a member of several groups and associations, which allows it to keep abreast of industry and sustainability trends. They include:

- Association of Process Industry (ASPRI)
- Association of Singapore Marine Industries (ASMI)
- Singapore National Employer Federation (SNEF)
- Singapore Business Federation (SBF)
- Singapore Manufacturing Federation (SMF)
- Federation of Malaysian Manufacturers (FMM)
- Singapore Institute of Directors (SID)
- Dormitory Association of Singapore Limited (DASL)
- Student Accommodation Association Australia (SAAA)

vi. SUPPLY CHAIN

We engage suppliers to provide a range of services associated with the management and operation of our workers and student accommodations, including cleaning, security, pest control, utility services, provision of furniture and equipment, construction, renovation and other repair and maintenance services. We also engage third-party operators to provide management and administration services for RMIT Village in Australia from 1st January till 31st March 2020 and for the US portfolio for the entire year 2020.

Suppliers for our optical disc business are mainly providers of raw materials for our optical disc production such as polycarbonate resins, aluminium targets, UV lacquer and DVD bonder.

Our operations team is responsible for ensuring quality control over the selection and performance of our suppliers.

New suppliers are required to be evaluated and approved by the dormitory manager and a finance officer before they are added to the approved vendor list. Our suppliers are scored based on their track record of similar scale or capacity projects, financial capabilities, pricing, and quality of performance.

In 2020, all of our PBWA in Singapore were mandated by the Government to be locked down, restricting residents from travelling out of the premise from April till August 2020. During this period of time, food and other necessities were catered for the residents. Suppliers for these services were all under the recommendation of the Government based on their ability to provide at scale, price competitiveness and quality of service rendered.

We review and assess our suppliers on an annual basis. Our review and assessment parameters include quality of service provided by the suppliers during the past contract term; overall performance of the suppliers' services; random checks of the services provided; and reviewing the background and eligibility of the suppliers, including their latest business licence and other relevant operation permits. Our property management team monitors the performance of our suppliers.

SUSTAINABILITY REPORT

vii. HUMAN RIGHTS

We are committed to protecting and upholding internationally-accepted human rights principles and applicable local laws in our business and supply chain. Our policies prohibit child labour, forced labour, slavery, discrimination and violation of freedom of association. There were no incidents of human rights violations in our business operations in the reported period.

2. ETHICS AND COMPLIANCE

Centurion upholds high standards of integrity, transparency, and accountability in our business, and we comply with regulations in the markets that we operate in. We seek to foster a culture of compliance, good corporate governance, and ethical behaviour with our stakeholders to build trust and credibility.

i. CODE OF BUSINESS CONDUCT

The Group has a comprehensive Code of Conduct on issues such as rules of engagement, client confidentiality, work conduct, discipline, grievance, sexual or workplace harassment, and the handling of corporate or individual gifts. The Code of Conduct aims to guide our employees when dealing with any of the aforesaid matters.

ii. WHISTLE BLOWING POLICY

Our Whistle Blowing policy overseen by our Audit Committee also encourages our officers, employees, suppliers/contractors, consultants, and customers to provide information that proves unsafe, unlawful, unethical, fraudulent, or wasteful practices. We also take measures to protect the whistle-blower from retaliation, harassment, adverse employment consequences or any other discriminatory acts.

iii. ANTI-CORRUPTION

The Group maintains a zero-tolerance policy against bribery or corruption, which covers employees, business associates, customers, third-party service providers or vendors. The Anti-Corruption Policy has been disseminated to all employees, and a copy is also published on the Group's website. There were no incidents of bribery and corruption within the reporting period.

As an additional disclosure, the Group confirms that it has not provided monetary incentives or its equivalent to any politically-exposed person or their political parties to secure any contracts or tenders. We have also not made any political contributions in all the countries where we operate.

iv. SOCIOECONOMIC COMPLIANCE

The Group remains committed to ensuring legal compliance in all aspects of our business and upholding high standards of ethical business conduct. We operate our business in a lawful manner and in accordance with applicable socioeconomic regulations in Singapore and overseas. Our management policies ensure compliance with relevant legislation and industry standards including corporate governance, taxation, environmental health and safety and human rights, advertising, labelling and protection of data and privacy.

There were no incidents of non-compliance with laws and regulations in the social and economic area in the reported period.

3. ECONOMIC CONTRIBUTIONS

Centurion seeks to achieve sustainable economic growth and provide strong returns to our stakeholders. Long-term profitability and shareholder value are ensured by considering the interests of stakeholders such as shareholders, employees, suppliers, and society.

We contribute to the economy through our various operations along the supply chain. One key contribution is the creation of jobs. We prefer to hire local talent in the markets where we operate our residential services. We also support local suppliers and contractors in our procurement of goods and services which in turn, support jobs in our local communities.

We actively support local community programmes through donations and financial assistance to several voluntary welfare organisations in Singapore. For more information on our contributions to the communities where we operate, see section on Caring for Our Residents and the Community on page 57.

i. FINANCIAL PERFORMANCE

The Group registered a S\$5.0 million reduction in revenue to S\$128.4 million in the full year ended 31 December 2020 ("FY2020") from S\$133.4 million in the full year ended 31 December 2019 ("FY2019"). The lower revenue was mainly attributable to revenue reductions of S\$14.2 million from the Group's UK and Australia student accommodation, as well as Singapore workers accommodation, where occupancies were affected by COVID-19 since the second quarter ended 30 June 2020.

The reduction was partially offset by revenue contribution of S\$9.8 million from properties added to the portfolio in 2019 such as Westlite Juniper and dwell Archer House as well as management fee income from three Factory-Converted Workers Dormitories and the revenue from the two QBDs, namely Westlite Kranji Way and Westlite Tuas Avenue 2, that commenced operations in 2H 2020.

Separately, government grants and support schemes in response to COVID-19 received across all countries where the Group operates and gains on disposal of a subsidiary in China bolstered other income, net of other losses to S\$4.8 million, while the low interest rate environment reduced finance expenses by 19% to S\$23.3 million and cost management measures to conserve cash reduced distribution and administrative expenses by 10% to S\$22.5 million.

The Group recorded net fair valuation losses of S\$27.6 million in FY2020, a reflection of the market conditions caused by the COVID-19 pandemic as opposed to net fair valuation gains of S\$66.3 million recorded in FY2019 which was mainly due to a 25-year extension of the Group's Westlite Toh Guan's period of use as a workers dormitory. The net fair valuation loss in FY2020 amounted to approximately 2% of the Group's investment properties value, which stood at S\$1.3 billion as at 31 December 2020.

SUSTAINABILITY REPORT

TOTAL ECONOMIC VALUE GENERATED FOR FY2020¹

S\$140.6
MILLION

TOTAL ECONOMIC VALUE GENERATED FOR FY2019¹

S\$139.7
MILLION

OPERATING COSTS FOR FY2020

S\$29.5
MILLION

OPERATING COSTS FOR FY2019

S\$32.5²
MILLION

EMPLOYEE WAGES AND BENEFITS FOR FY2020

S\$23.5
MILLION

EMPLOYEE WAGES AND BENEFITS FOR FY2019

S\$21.2
MILLION

PAYMENTS TO PROVIDERS OF CAPITAL FOR FY2020

S\$23.3
MILLION

PAYMENTS TO PROVIDERS OF CAPITAL FOR FY2019

S\$45.6
MILLION

PAYMENTS TO GOVERNMENTS INCLUDING ROYALTIES AND TAXES FOR FY2020

S\$12.0
MILLION

PAYMENTS TO GOVERNMENTS INCLUDING ROYALTIES AND TAXES FOR FY2019

S\$12.2
MILLION

COMMUNITY INVESTMENT FOR FY2020

S\$583,019

COMMUNITY INVESTMENT FOR FY2019

S\$490,663

TOTAL ECONOMIC VALUE DISTRIBUTED FOR FY2020³

S\$88.3
MILLION

TOTAL ECONOMIC VALUE DISTRIBUTED FOR FY2019³

S\$111.5
MILLION

TOTAL ECONOMIC VALUE RETAINED FOR FY2020⁴

S\$52.3
MILLION

TOTAL ECONOMIC VALUE RETAINED FOR FY2019⁴

S\$28.2
MILLION

As a result, the Group's profit after tax attributable to equity holders ("PATNCI") in FY2020 is S\$17.2 million, a 83% reduction as compared to FY2019. Excluding the impact of fair valuation adjustments, PATNCI from core business operations increased 8% from S\$38.2 million in FY2019 to S\$41.3 million in FY2020.

For more details, on the Group's financial performance and business risk, please refer to the Group's "Financial Review" found on pages 32 to 34. For challenges and opportunities, please refer to our "Letter to Shareholder" by Joint Chairmen and CEO's statement from pages 04 to 07 in our AR FY2020.

4. CARING FOR RESIDENTS AND THE COMMUNITY

As a leading player in the workers' and students' accommodation business, our core business philosophy is to provide a safe and conducive housing environment and we strive to meet and go beyond the housing needs of workers and students. In addition to taking care of their accommodation needs, Centurion wants to provide a home away from home for these mobile populations who are living abroad and away from their family and friends.

During the COVID-19 pandemic in Singapore, our Westlite Toh Guan and Westlite Mandai purpose-built workers' accommodation (PBWA) facilities were gazetted as isolation sites in April, due to the number of coronavirus infections there. Our immediate focus then was to take care of residents' needs in these two PBWAs as well as our other PBWAs and PBSAs in Australia, Malaysia, Korea, Singapore, the UK and the USA. This included ensuring that they had face masks and an adequate food supply, their concerns and understanding about the lockdown are being addressed, and that their employers are updated about developments on the ground. In addition, free Wi-Fi was provided in all apartment units, with access to extensive digital channels and engagements, to help our residents stay connected to family and friends, and conduct essential activities such as remitting money home. To better support foreign worker residents, Centurion leveraged our proprietary app MyMA to enable residents to easily monitor their health, work status and movement records.

Through our efforts, we hope to cultivate active community living that is inclusive, diverse and vibrant. Beyond engaging our residents, we also proactively engage the wider community through supporting charitable organisations and NGOs, reflecting our core value of "management with a heart". Our investment in the community is a valuable way to engage staff and ensure thriving local communities in the areas which we operate in.

1. Total economic value generated include Revenue, share of associated companies and joint venture results (from potential dividend income), gain/(loss) from disposal of assets and investments (from sale proceeds).

2. Operating costs for FY2019 adjusted to exclude depreciation and certain comparative numbers have been reclassified as indicated in Notes 6 and 7 of the financial statements.

3. Total economic value distributed include Operating costs (excluding depreciation and property tax), employee compensation (wages, salaries and benefits), taxes including property tax paid to government, finance expenses including interest on borrowings and dividend to shareholders. FY 2019 figure adjusted to reflect new calculation.

4. Total economic value retained should be the difference between total economic value generated less total economic value distributed. FY2019 figure adjusted to reflect new calculation.

SUSTAINABILITY REPORT

i. ENGAGING OUR RESIDENTS

Our residents are our most important stakeholders and we need to ensure that they feel connected within the community of their residence as well as in the wider local community.

In a non-pandemic year, we would organise social activities to help residents feel welcome and create opportunities for them to forge friendships with one another. The programmes would include excursions to places of interest, befriending activities, health and safety roadshows, inter-dormitory sporting events and competitions, festive carnivals, movie screenings, night markets, variety shows and food, games and health carnivals. We would also work with third-party partners to provide enrichment and training courses to enhance future employment opportunities of the foreign workers living in our dormitories.

However, in 2020, due to the restrictions on face-to-face interactions arising from the COVID-19 pandemic, we pivoted to keeping the spirits of the residents high through virtual games and engagements instead. For our worker residents, we also organised competitions rewarding the most creative greetings, during festivals like Hari Raya and Deepavali. We have also continued with the Cleanest Unit award through virtual room inspections to encourage our worker residents to maintain cleanliness within their living areas.

For our student residents, we provided them with help to tide through the pandemic, easing not only their financial strain but also providing them with support through the dwell community and mental wellness activities like guided meditation and virtual cooking classes.

As most of the events were organised digitally and provided enjoyable entertainment during the lockdown period, the number of worker-and-student residents benefiting from the programmes increased by almost 50% year-on-year.

ACTIVITIES FOR RESIDENTS IN 2020

No. of programmes/events organised for workers	145
No. of worker residents benefitting from programmes/events (workers)	54,039
No. of programmes/events organised for Students	918
No. of student residents benefitting from programmes/events (students)	7,468

ii. HIGHLIGHTS OF PROGRAMMES CONDUCTED FOR OUR WORKERS RESIDENTS

- **ENGAGING & PROVIDING SUPPORT FOR WORKER RESIDENTS DURING COVID-19**

Apart from ensuring that our worker residents had face masks and an adequate food supply, and that their concerns and understanding about the lockdown are being addressed, we also organised a cleanliness competition across Singapore and Malaysia, and awarded the top five cleanest units with monetary prizes. Residents were encouraged to create educational videos on how to prevent the spread of COVID-19 and how to keep one another safe and protected during the pandemic, with the best videos winning hampers. During the period when the Malaysian government imposed a Movement Control Order, residents were also engaged through Tik Tok video competitions showcasing the workers residents' acting, singing, or dancing in any style. The best Tik Tok video of each dorm would compete against other Westlite dormitories' best video, creating hours of laughter for the worker residents.

- **CELEBRATING FESTIVALS AND HAVING VIRTUAL FUN**

To celebrate the new year of various cultures, we organised Best Dress Award competitions in which a representative from each room would be assessed when they are collecting food for their roommates. Representatives donned their national costumes, with the national colours of Bangladesh, India, Myanmar and Thailand adding to the festive atmosphere. In commemoration of Pongol, the Indian Harvest Festival, residents cooked sweet porridge and revelled in colourful lights and rice flour arts on flooring, and played hanging pot games. The worker residents also celebrated Hari Raya, Deepavali, and International Migrants Days through online social media activities, photo booth activities and bazaars.

- **PARTNERING OTHERS TO BE A HOME AWAY FROM HOME**

We partnered non-governmental organisation Touch International to celebrate Christmas by blessing migrant workers' children with gifts. The gifts and their accompanying gift boxes were selected by the migrant workers and Touch International arranged the gifts to be delivered to the homes of the residents with children between three to 12 years old in India. We also partnered the Thai Embassy to organise visits by its officials to Westlite dormitories, during which a short tour and introduction of the dormitories was conducted for the officials, followed by a Meet the Workers session, during which food, goodie bag and lucky draws were provided to the residents.

iii. HIGHLIGHTS OF PROGRAMMES CONDUCTED FOR OUR STUDENT RESIDENTS

- **CARING FOR STUDENT RESIDENTS DURING COVID-19**

One of the ways we demonstrated care for our student residents during COVID-19 was to help ease their financial strain by giving them the option to pre-terminate their leases. While this decision reduced our revenue for the 2019/2020 academic year by GBP3.1 million (\$5.6 million), we believe that the goodwill it creates adds to Centurion's standing as long-term player in the UK.

Separately in the UK, we partnered with a local church to offer emotional support to our tenants in Nottingham during the pandemic and over the Christmas period. We also partnered with Health Assured to offer our students a 24/7 phone number

SUSTAINABILITY REPORT



Contest prizes for residents at dwell East End Adelaide prior to COVID-19 restrictions

to call should they wish to speak about any issues that they may be facing. In Australia, dwell East End Adelaide organised contactless digital events to encourage students to “Live, Learn and Grow” during the pandemic period, including events like Zoom Meditation classes, cupcake baking classes and food donation drives.

In Singapore, at dwell Selegie, we celebrated traditional festivals together with our international student residents by providing them with food items such as mandarin oranges, mooncake, cupcakes, as well as food vouchers. This helped build a stronger community spirit, and students who were not able to celebrate important festivals with their loved ones back home found comfort in these events.

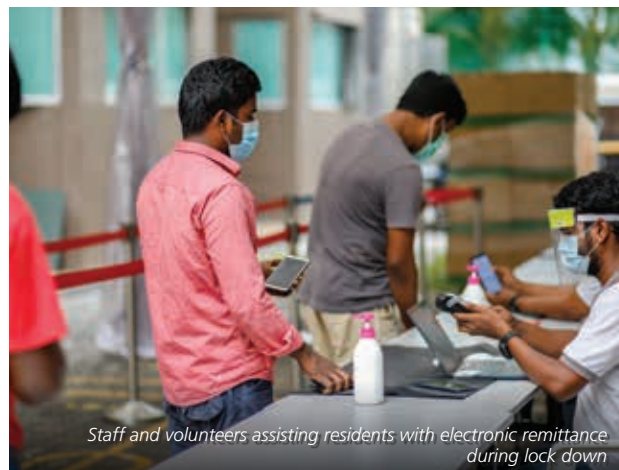
• ACTIVITIES PROMOTING HEALTH AND WELLBEING

To promote the health and well-being of our student residents in consideration of social distancing requirements, our staff pivoted towards organising virtual games, such as virtual online escape room games via google forms, which received active participation from both tenants and staff. In Australia, Wellness Wednesday became a staple program, during which topics on physical, mental, financial and social wellbeing were discussed weekly, and supplemented with virtual yoga, meditation and cooking classes to enhance the resident's overall wellbeing.

For the many students who were struggling financially, we worked with welfare organisations to deliver ready-made healthy food and snacks, including breakfast packages and take-away meals. In the UK, in conjunction with World Mental Health Day, plants of positivity were given to residents for rearing in their rooms – this cultivated a new interest and hobby for the residents, helping them to better cope with stress during the pandemic period.

• CONTRIBUTING TO THE WIDER COMMUNITY

We are committed to be a responsible corporate citizen and have contributed to several community initiatives through donations and volunteering, as well as partnering with local welfare organisations in various initiatives. As we carry out the



Staff and volunteers assisting residents with electronic remittance during lockdown

day-to-day running of business operations, we are mindful of leaving a positive impact in our local community.

For instance, in the US, the team organises a food drive annually to raise food relief for animals at a local animal shelter. During the cold months, the onsite team would host a blanket drive to help keep the homeless warm during low temperatures. The US team would also host a Toys for Tots event that provides toys to children who might be in the hospital or come from a struggling family. We also encourage our residents and employees to volunteer in community initiatives.

The amount invested in CSR initiatives in 2020 increased 19% to S\$583,019 (up from \$490,663).

5. ENVIRONMENTAL PERFORMANCE

Centurion's environment performance in 2020 was impacted by extensive measures that the Group had to implement to battle the COVID-19 pandemic. While the wellbeing of our staff and residents became a priority, Centurion is also cognisant that climate change and resource scarcity are pressing global issues that will demand a coordinated response from governments, companies, and individuals. Centurion Corporation is committed to mitigating these environmental issues over the long run.

The main sources of environmental impact from our operations comes from the use of energy and water, greenhouse gas emissions as well as the generation of waste. The Group has therefore put in place plans and targets to minimise our environmental footprint in the aforementioned areas.

The Group complies with all applicable environmental laws and regulations in our business activities. In 2020, there were no incidents of non-compliance with environmental laws and regulations resulting in significant fines or non-monetary sanctions in the reported period. We also believe that our employees as well as residents, both workers and students, can play an important role in reducing their impact on the environment by adopting more sustainable lifestyles. Our approach is to educate them by engaging with them to promote environmental awareness.

SUSTAINABILITY REPORT

i. ENERGY & GHG EMISSIONS

The main source of energy we use in our properties is purchased electricity. Reducing non-renewable energy use not only helps mitigate climate change but lowers the cost of our operations. Centurion is therefore committed to reducing or maintaining its current average electricity consumption per person for both employees and residents. We track and monitor our electricity consumption to identify opportunities for improving energy efficiency. Where possible, we install energy efficient lighting and equipment to minimise energy consumption. We strive to use energy-efficient mechanical and electrical equipment that helps us reduce operational costs. We create naturally ventilated circulation spaces within confined spaces, such as covered car parks, common corridors, and accommodation units, to reduce reliance on electricity use. We are also actively exploring the feasibility of using renewable energy at our properties to further reduce our carbon footprint.

Some of the energy-saving initiatives we have implemented include:

- Refurbishment of our properties in Australia, the US and UK to include more energy saving fixtures such as LED lighting, sensors and auto-switches which turn off lights and fans when not in use
- Lifts that operate on a variable voltage and frequency motor drive with sleep mode features
- Energy-efficient air-conditioning, LED lights and certified water fittings
- Use of sunshade and tinted glazing to minimise energy usage related to air-conditioning
- Minimise west-facing facades and the number of windows facing the afternoon sun, and channel wind to the inner spaces to minimise the use of energy
- Installation of timer-controlled LED light fittings with alternate circuits, which are designed to regulate electricity

consumption at common areas during different times of the day in our PBWA and PBSA assets

- Worker dormitories that are parted by walls with an opening at the top to allow cross ventilation
- Use of paint with low volatile organic compounds for internal spaces and enamel paint for common walkways to minimise maintenance cleaning
- Solar panels at our ASPRI-Westlite Papan workers dormitory in Singapore harvested energy which accounted for 9% of total energy used in the dormitory. This initiative helped reduce the carbon footprint of this asset by a third and will lower the cost of operations by S\$200,000 over the next 20 years.

In 2020, Centurion recorded an overall 3% decrease in energy usage to 27,571 MWh, mainly due to lower physical occupancy across most of our PBWA and PBSA assets, and a reduction in overall headcount by 9%. However, energy consumption per person had increased 4% to 673 kWh.

This was primarily due to the residents spending almost 90% more time in their rooms, resulting in a 21% increase in electricity consumption per person in the PBWA segment. Energy consumption also increased because of the expansion of operational capacity in Malaysia, at Westlite Bukit Minyak, where more blocks with lifts and new water pumps had opened.

Among student-residents, the total average energy consumption per person decreased 9%, as occupancy in the PBSAs declined substantially by 13%, and energy consumption in the US improved, due to milder weather and the installation of LED lights. These positives were offset by an increase in energy consumption from higher heater usage in Australia amid low temperatures during June to October, and the energy consumption for asset enhancement initiatives and renovation works in South Korea, Singapore, and the United Kingdom.

Given the higher energy consumption per person recorded in 2020, emissions intensity per person rose 15% to 334kg per person.



Westlite Tuas Avenue 2 residents celebrating Pongal

SUSTAINABILITY REPORT

ii. ELECTRICITY CONSUMPTION AND SCOPE 2 EMISSIONS

	FY2020	FY2019	FY2018
Electricity consumption (MWh)	27,571	28,389	26,632
Energy used from electricity consumption (GJ)	99,062	102,200	95,876
Average kWh electricity consumption per person (employees and residents)	673	647	607*
Indirect GHG Emission (Scope 2) – Tonnes CO ₂ e	13,689	12,694	13,240
Average kgCO ₂ emission per person (employees and residents)	334	289	301*
Water consumption (m ³) [^]	3,016,914	2,909,650	2,818,414
Water intensity (m ³ /person)	74	66	64*

Note: Emission factors used for the calculation of 2019 emissions is based on country specific emissions factors. This includes the Electricity Grid Emission Factor published by the Energy Market Authority for Singapore, <http://www.seda.gov.my/statistics-monitoring/co2-avoidance/> for Malaysia, The National Greenhouse Accounts Factor published by the Australian Government, Department of Environment and Energy, conversion factors published by the UK Government, and the Emissions & Generation Resource Integrated Databased (eGRID) for the United States. Scope 2 emissions for 2017 and 2018 were calculated based on the Electricity Grid Emission Factor published by the Energy Market Authority, Singapore. Additional properties in Penang and Adelaide is included in the FY2019 calculations.

* Figures for FY2018 have been adjusted using the calculation methodology for FY2019 and FY2020

[^] Exclude water consumption data for some PBWA assets where residents are responsible for their own utility bill; water consumption in the UK and the US are unmetered and hence the water consumption data is estimated.

iii. WATER

Water is a valuable natural resource that must be conserved. Centurion aims to reduce or maintain its current average water consumption per person for both employees and residents. All of our water supply comes from public utilities and the Group faces no issues in sourcing water that is fit for purpose.

We closely monitor water use intensity (water used per person) and prevent water wastage by ensuring preventive maintenance of water fittings and pipes. We have also installed thimbles on taps to reduce water flow. In Singapore, our PBWA properties are compliant with the Public Utilities Board's (PUB) Water Efficient Building (Basic) Certification and we have been recognised by PUB for having the lowest water consumption in the PBWA industry in Singapore. To further reinforce the message of water conservation, the Group plans to highlight this as part of the induction process for new residents, as well as to develop permanent signages in bathroom and kitchen areas. The Group will also work with its properties to reduce the usage of water in daily activities, for instance through collecting rainwater and using pails instead of a running hose to mop the floor. We will also engage with employees and residents to create awareness about water conservation through educational campaigns. These include posters and signages at our properties to encourage residents to be conscious of water use.

However, water consumption increased 12% to 3,016,914 m³ while water intensity increased 12% in 2020, because of higher cleaning and hygiene requirements. The area cleaning frequency for our PBWAs increased from twice a day to at least five times a day. In addition, residents also stayed in their accommodation more than last year, due to lockdown requirements in the markets where we operate, resulting in higher water usage.

Furthermore, in Singapore, various government agencies had set up pandemic control units within our dormitories to

manage the medical requirements, quarantine, treatment and COVID-19 testing of our residents in the PBWA. Elsewhere in Malaysia, Westlite Bukit Minyak has installed six new water pumps which increased the water usage for residents there. Our PBSA properties in Korea, Singapore and UK also underwent renovation, which resulted in higher usage of water.

iv. WASTE

Centurion is committed to disposing of waste generated at our assets in accordance with local regulations. General waste is disposed of through licensed contractors. Our operations do not generate hazardous waste. We have implemented an internal recyclables programme to encourage residents to separate containers, paper and cardboard from general waste. In 2020, we also worked together with our worker-residents to reduce food waste through using a QR-code food collection system. In 2020, total non-hazardous waste generated at our sites decreased 12% to 1,977 tonnes, largely due to a reduction in communication materials arising from lower occupancy.

6. TALENT ATTRACTION, DEVELOPMENT AND RETENTION

People are the core of our business at Centurion. Our employees play an important role in our goal to provide a home away from home for our student and worker residents. The Group is committed to promoting a cohesive, diverse, skilled and high performing workplace. We aim to attract a diverse pool of talent for our workforce and maintain employee turnover at par or below benchmark average.

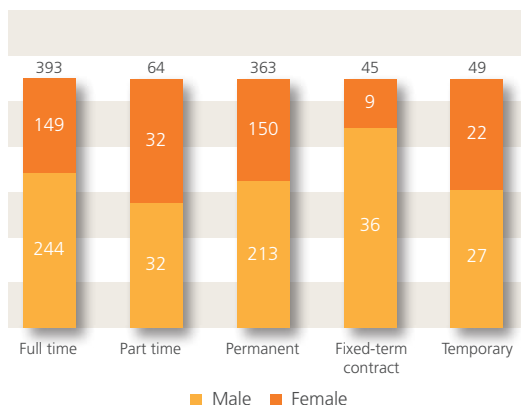
On this front, we are pleased that Centurion Corporation was awarded the HR Excellence Awards 2019 – Excellence in Total Rewards Strategy Award. This Award attests to our commitment to employee engagement, and is a recognition for our commitment to attract, motivate and retain top talents through a holistic and competitive total rewards strategy.

SUSTAINABILITY REPORT

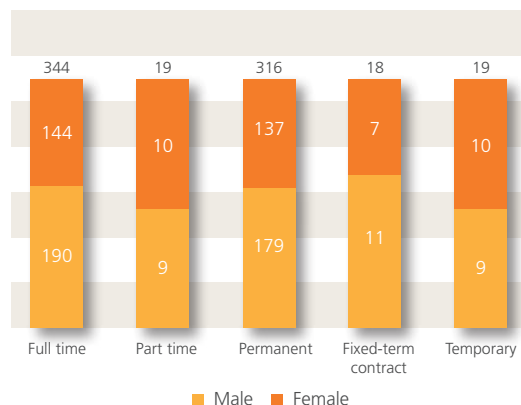
i. EMPLOYEE PROFILE

At the end of FY2020, the Group had a total headcount of 457¹. Approximately half of our workforce was based in Singapore.

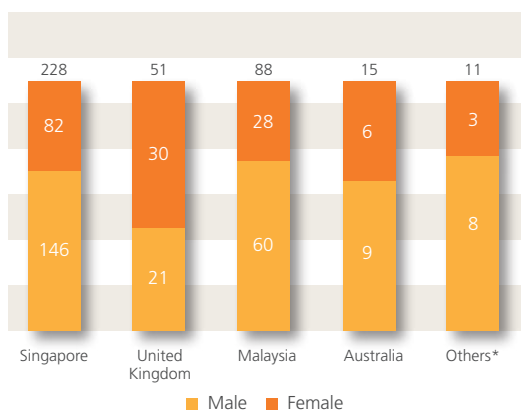
TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER – 2020



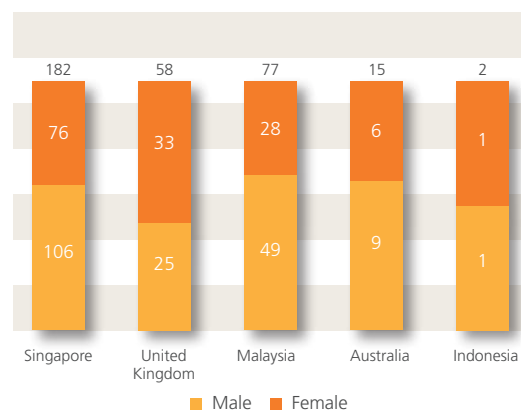
TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER – 2019



TOTAL NUMBER OF FULL-TIME EMPLOYEES BY GEOGRAPHY AND GENDER – 2020

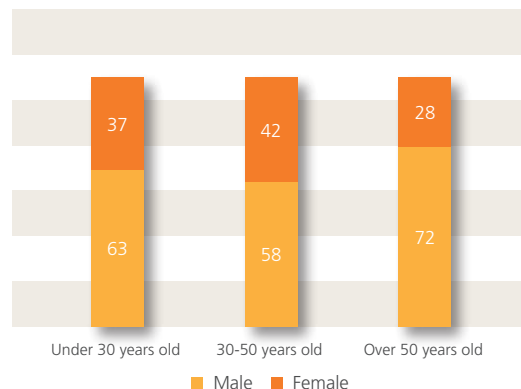


TOTAL NUMBER OF FULL-TIME EMPLOYEES BY GEOGRAPHY AND GENDER – 2019

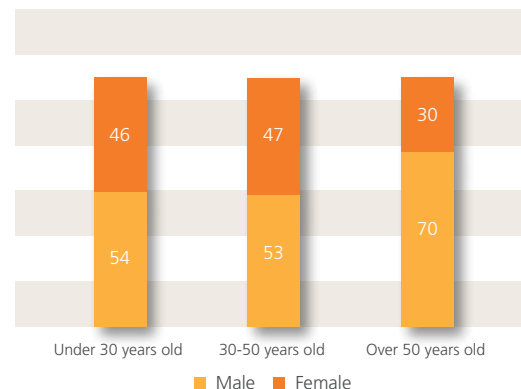


* Includes Indonesia, South Korea and the US.

PERCENTAGE OF FULL-TIME EMPLOYEES BY AGE GROUP AND GENDER – 2020



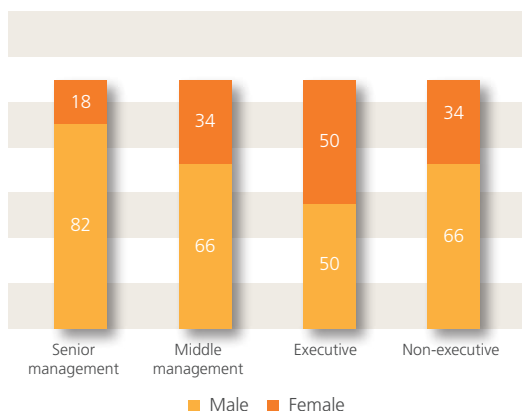
PERCENTAGE OF FULL-TIME EMPLOYEES BY AGE GROUP AND GENDER – 2019



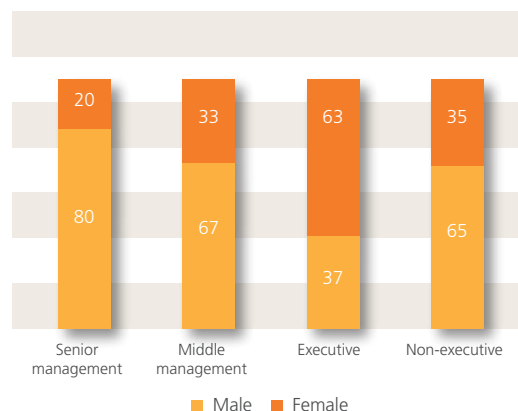
¹ Employment data for the US and South Korea was excluded in 2019 as headcount in these countries was managed by 3rd party managers.

SUSTAINABILITY REPORT

PERCENTAGE OF EMPLOYEES BY
EMPLOYEE CATEGORY AND GENDER – 2020



PERCENTAGE OF EMPLOYEES BY
EMPLOYEE CATEGORY AND GENDER – 2019



NUMBER AND RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

2020				
	Number of new hires	Rate of new hires	Number of turnovers	Rate of turnovers
Age Group				
Under 30 years old	62	14%	43	9%
30 – 50 years old	63	14%	35	8%
Over 50 years old	9	2%	12	2%
By Gender				
Female	46	11%	39	8%
Male	88	19%	51	11%
By Geography				
Singapore	88	34%	41	16%
United Kingdom	16	27%	13	22%
Malaysia	16	18%	19	22%
Australia	11	29%	15	39%
Indonesia	0	0%	0	0%
South Korea	2	29%	2	29%
United States	1	25%	0	0%

SUSTAINABILITY REPORT

ii. HUMAN RESOURCE POLICIES

We promote a workplace based on mutual respect and trust and we have adopted policies and practices to nurture well-rounded employees through training, career development and talent management.

Our policies comply with employment laws relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Our HR policy is aligned with the recommended Principles of Fair Employment Practices set out in the Tripartite Guidelines on Fair Employment Practices in Singapore:

- Recruit and select employees on the basis of their merit regardless of age, race, gender, religion, marital status and family responsibilities, or disability
- Fairness and respect
- Adopting progressive human resource management systems
- Providing equal opportunity for training and development programmes based on skills and needs
- Reward based on each individual's performance, contribution and experience
- Compliance with labour laws and the Tripartite Guidelines on Fair Employment Practices

We periodically review our policies to ensure they remain relevant and effective. To do so, we conduct employee opinion surveys to gather feedback from staff.

iii. LOCAL HIRING

We prefer to hire local talent in the markets where we operate our residential services. In FY2020, the majority of our senior management were hired from the local community.

iv. DIVERSITY AND EQUALITY

We value diversity of culture, race, gender, opinions, and the competency of our employees. As Centurion has business operations in several geographies, having a diverse workforce allows us to better understand the cultural sensitivities of our residents from different backgrounds and markets.

In line with our diversity and inclusion approach, Centurion also supports the hiring of employees with disabilities.

v. TRAINING AND DEVELOPMENT

We provide ample opportunities for ongoing training of our employees, which is crucial for building and updating skills needed to support our business operations.

The Group has implemented a training & development programme to provide training and education opportunities to our employees to improve their awareness, capabilities, and productivity, upgrading their skills and knowledge. This is done through in-house training, external courses, seminars, workshops, and on-site programmes.

Some of the key topics which were highlighted in the training sessions include accounting and finance, e-commerce trends and insights, responding to terrorist threats, handling difficult colleagues and customers, first aid, fire training and evacuation, and on the company's policies. Staff were also encouraged to participate in regular lunch and learn sessions and gain overseas work exposure.

In 2020, we rolled out a new e-learning platform to make it easier for employees to participate in training and skills upgrading online. However due to the physical and operational constraints faced in managing the COVID-19 pandemic, training hours and expenditure were reduced in 2020.

In addition, a majority of new hires in 2020 was to meet increased demands in the operations of PBWA. These roles are mainly non-executive and executive levels, therefore training hours of these employee category increased compared to 2019.



SUSTAINABILITY REPORT

Overall, our total training expenditure in 2020 was about S\$51,192.

2020								
	Senior Management		Middle Management		Executive		Non-Executive	
	Male	Female	Male	Female	Male	Female	Male	Female
Average training hours per employee by employee category	12	8	9	17	24	17	28	37

2020							
	Singapore	Malaysia	Australia	UK	US	South Korea	Indonesia
Total Training Expenditure by country	47% S\$24,258	16% S\$8,054	8% S\$3,899	3% S\$1,503	25% S\$13,014	1% S\$464	0% S\$0

vi. PERFORMANCE MANAGEMENT

We reward our employees based on merit, capability, experience, qualification and performance.

All of our full-time employees participate in an annual performance appraisal exercise aimed at objectively reviewing their performance as well as identifying their development needs. We also organise meetings to provide feedback to employees on their performance and seek feedback from them on the organisation.

vii. SUCCESSION PLANNING

We have implemented succession planning for senior management to identify and develop new leaders. A succession pipeline of talented leaders reduces the risk of disruption in the case of exigencies.

viii. EMPLOYEE RETENTION

Our human resource policies are geared toward attracting and retaining suitable talents to support our business growth. Some of the initiatives we have implemented in the last year include the launch of telemedicine services to provide accessible healthcare to employees, an added vision care benefit, flexible working arrangements, corporate social responsibility activities and social events.

7. HEALTH AND SAFETY

i. OCCUPATIONAL HEALTH AND SAFETY

The Group maintains a high level of health and safety standards across our properties and comply with all relevant regulations where we operate. We aim to maintain our zero-accident target for the year ahead.

The Group's health and safety committee, chaired by our Chief Operating Officer, periodically reviews our health and safety policies and implementation. Each site also nominates a health and safety representative who reports to the health and safety committee.

We monitor the health and safety performance of our sites using internationally accepted metrics that record injury rate, occupational disease rate, lost day rate, absentee rate and work-related fatalities.

In 2020, in order to safeguard our employees from potential risks of COVID-19, we have also set up systems and processes to allow and enable employees to work-from-home as well as digital meetings to reduce exposure and physical interactions.

SUSTAINABILITY REPORT

	Singapore		UK		Malaysia		Australia		Korea		Indonesia	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Fatalities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Injury Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Occupational Disease Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lost Day Rate ¹	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Absentee Rate ²	2.7%	1.9%	3.2%	5.3%	6.8%	4.6%	19.8%	5.4%	12.4%	0.0%	0.0%	0.74%

1. Lost day rate is the impact of occupational diseases and accidents as reflected in time off by affected workers.

2. Absentee rate measures actual absentee days lost, expressed as a percentage of total days scheduled to be worked by workers for the same period.

ii. CUSTOMER HEALTH AND SAFETY

Similarly, Centurion is committed to ensuring the health and safety of our residents.

We have measures in place to ensure that zero accidents occur to the best of our ability. These include a comprehensive induction process for all new residents to highlight house rules and protocols. We work closely with stakeholders such as local authorities, welfare organisations, universities and healthcare providers on initiatives to promote health and safety amongst our worker and student residents. There were no incidents of non-compliance concerning the health and safety of our accommodations and services in 2020.

In the UK, Centurion Student Services (UK) Ltd and dwell Student Living Health and Safety Committee operate within an agreed Terms of Reference and monitors its Health and Safety Policy, Asbestos Safety Policy, Domestic Gas Policy, Fire Safety Policy, Lift Safety Policy, Water Safety Policy to adhere to relevant safety management plans and guidance documents. The documents assist accommodation managers to implement health and safety measures consistently across all our UK properties to ensure the safety of residents, staff and visitors.

In Australia, risk registers to ensure health and safety in our properties are reviewed on a monthly basis. Business continuity plans and an Emergency Management Plan are in place while emergency response training exercises are conducted with staff twice a year. Fire drills are also conducted annually.

In 2020, we also implemented our Pandemic Management Plan across all our global properties, prior to the outbreak of COVID-19 in our accommodations and dormitories. This included preventive control measures, travel restrictions, facilities preparation, pandemic response control and process, as well as personnel and residents monitoring processes.

A review of all its operational policies for internal and external compliance purposes will be conducted by the Group annually.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

This report has been prepared with reference to the GRI Standards: Core option. The table below presents our GRI content index, which specifies each of the GRI Standards used in the report with a reference where the information can be found. Where we were not able to meet the GRI Standards reporting requirements, we have included our reasons for the omission in the table below.

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	Organisational Profile	
	102-1 Name of the organization	Centurion Corporation Limited
	102-2 Activities, brands, products, and services	1, 20 - 29
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	17, 20 - 29
	102-5 Ownership and legal form	2
	102-6 Markets served	17 - 29
	102-7 Scale of the organization	19 - 31, 57, 61 - 65
	102-8 Information on employees and other workers	61 - 65
	102-9 Supply chain	55
	102-10 Significant changes to the organization and its supply chain	3 - 7, 38 - 40
	102-11 Precautionary Principle or approach	33 - 34, 88 - 92, 203 - 218
	102-12 External initiatives	44 - 45, 54 - 55, 57 - 59
	102-13 Membership of associations	55
	Strategy	
	102-14 Statement from senior decision-maker	4 - 7, 50
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	2, 56
	Governance	
	102-18 Governance structure	73 - 99
	102-19 Delegating authority	Corporate Information
	102-20 Executive-level responsibility for economic, environmental, and social topics	52
	Stakeholder Engagement	
	102-40 List of stakeholder groups engaged	52 - 55
	102-41 Collective bargaining agreements	None
	102-42 Identifying and selecting stakeholders	54 - 55
	102-43 Approach to stakeholder engagement	44 - 45, 54 - 55
	102-44 Key topics and concerns raised	54 - 55
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	17, 155 - 193
	102-46 Defining report content and topic Boundaries	52
	102-47 List of material topics	53
	102-48 Restatements of information	None
	102-49 Changes in reporting	49

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
	102-50 Reporting period	49
	102-51 Date of most recent report	March 2020
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	49
	102-54 Claims of reporting in accordance with the GRI Standards	49
	102-55 GRI content index	67 - 70
	102-56 External assurance	49
TOPIC SPECIFIC DISCLOSURES		
ECONOMIC		
Material Topic: Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52 - 53
	103-3 Evaluation of the management approach	52
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	57
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	64
Material Topic: Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	53, 57 - 59
Material Topic: Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	56
	205-3 Confirmed incidents of corruption and actions taken	56
ENVIRONMENTAL		
Material Topic: Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 302: Energy 2016	302-1 Energy consumption within the organization	51, 59 - 61
	302-3 Energy intensity	51, 59 - 61
Material Topic: Greenhouse Gas Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	51, 59 - 61
	305-4 GHG emissions intensity	51, 59 - 61
Material Topic: Water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	51, 61
SOCIAL		
Material Topic: Attract, Develop and Retain Talent		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	62 - 64
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	51, 64 - 65
	404-3 Percentage of employees receiving regular performance and career development reviews	65
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	64 - 66
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	64 - 66
Material Topic: Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 403: Occupational health and safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	66
	403-2 Types of injury and rate of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	66
Material Topic: Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 416: Customer health and safety 2016	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	66
Material Topic: Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52-53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	50, 57 - 59, 107

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/ REASONS FOR OMISSION
GENERAL DISCLOSURE		
Material Topic: Socio-Economic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	52 - 53
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 419: Socio-economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	55 - 56
Others		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	51, 61

HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INDEX

Aspect	Disclosure	Page Number
Subject Area A. Environment		
A1. Emission		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	52 - 53, 59 - 61
KPI A1.1	The types of emissions and respective emissions data	52 - 53, 59 - 61
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	51, 59 - 61
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	51, 59 - 61
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	51, 59 - 61
KPI A1.5	Description of measures to mitigate emissions and results achieved	51, 59 - 61
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	51, 59 - 61
A2. Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	51, 59 - 61
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	51, 59 - 61
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	51, 59 - 61
KPI A2.3	Description of energy use efficiency initiatives and results achieved	51, 59 - 61
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	51, 59 - 61

SUSTAINABILITY REPORT

Aspect	Disclosure	Page Number
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable
A3. The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	51, 59 - 61
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	51, 59 - 61
Employment and Labour Practices		
B1. Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	53, 62 - 66
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	62 - 66
B2. Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	53, 62 - 66
KPI B2.1	Number and rate of work-related fatalities	66 - 66
KPI B2.2	Lost days due to work injury	66 - 66
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	66 - 66
B3. Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	53, 62 - 66
B4. Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	62 - 66
KPI B4.1	Description of measures to review	62 - 66
KPI B4.2	Description of steps taken to eliminate such practices when discovered	62 - 66
Operating Practices		
B5. Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	55
KPI B5.1	Number of suppliers by geographical region	55
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	55

SUSTAINABILITY REPORT

Aspect	Disclosure	Page Number
B6. Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Not applicable
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	Not applicable
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Not applicable
KPI B6.4	Description of quality assurance process and recall procedures	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not applicable
B7. Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	53, 55
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	53, 55
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	53, 55
Community		
B8. Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	51 - 53, 57 - 59
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	51 - 53, 57 - 59
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	51 - 53, 57 - 59

SGX PRIMARY COMPONENTS INDEX (ESG) INDEX

Primary Component	Page No.
Material ESG factors	53
Policies, practices and performance	50 - 67
Targets	53 - 55
Sustainability Reporting Framework	49
Board Statement	50

CORPORATE GOVERNANCE

Centurion Corporation Limited (the “Company” and together with its subsidiaries and associated companies, the “Group”) is committed to maintaining good standards of corporate governance and business conduct so as to enhance long-term shareholder value whilst taking into account the interests of other stakeholders. This report describes the Company’s corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018 of Singapore (the “2018 Code”), as required under the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Company’s ordinary shares are also listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”) (“Dual Primary Listing”), since 12 December 2017 (the “Listing Date”), and hence, the Company is required to also abide by, *inter alia*, the provisions of the Corporate Governance Code (the “HK CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on SEHK (the “HK Listing Rules”) which are applicable to the Company. The Board and Management have taken steps to align the governance framework with the HK CG Code. In the event of any conflicts between the 2018 Code and the HK CG Code, the Company will comply with the more stringent requirements.

As at the date of this report, the Company has complied with the principles and provisions of the 2018 Code and HK CG Code. Where there are any deviations from the provisions of the 2018 Code and HK CG Code, appropriate explanations have been provided in this report.

BOARD MATTERS

The Board’s Conduct of Affairs – Principle 1

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company

Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance. The Board, in addition to its statutory responsibilities, supervises the overall management and business affairs of the Group and monitors the performance of Management. It provides entrepreneurial leadership, sets strategic direction for the long-term success of the Company, sets the Group’s values and standards (including ethical standards), reviews the operational and financial performance of the Group to enable the Group to meet its objectives and works with Management to make objective decisions in the interest of the Group. The Board also sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. When facing a conflict of interest, a Director recuses/abstains himself or herself from discussions and decisions involving the matter/issue of conflict (*Provision 1.1 of 2018 Code*).

The Board has adopted a formal document setting out specific matters which are reserved for the Board’s approval. These include approval of the Group’s strategic business plans, annual budgets, major investments and financing decisions and appointment of Directors and key management personnel including review of their performance and remuneration packages. Management has been given clear directions on matters that require Board’s approval, and these are communicated to Management in writing (*Provision 1.3 of 2018 Code*).

The Board also considers sustainability issues including environmental and social factors and has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the internal controls and risk management systems, to safeguard shareholders’ interest and the Group’s assets (*Provision 1.1 of 2018 Code*).

Board Committees

To assist in discharging its duties, the Board has delegated specific functions/responsibilities to three (3) Board Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee. Each Board Committee has its own written terms of reference (*Provision 1.4 of 2018 Code*). The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

CORPORATE GOVERNANCE

Board Meetings

The Board conducts regular scheduled meetings at least four (4) times a year and meets as and when warranted by particular circumstances between these scheduled meetings. The Company's Constitution provides for Board meetings to be held via telephone conference, video conferencing or other similar means of communications. When a physical meeting is not possible, timely communication with the Directors can be achieved through electronic means and circulation of written resolutions for approval by the relevant members of the Board and/or Board Committees.

Directors' Attendance

Details of Directors' attendance at Board and Board Committee meetings and general meeting(s) held in the financial year ended 31 December 2020 ("FY2020") are summarized in the table below (*Provisions 1.5 and 11.3 of 2018 Code*):

Name	Board of Directors Meeting	Audit Committee Meeting	Nominating Committee Meeting	Remuneration Committee Meeting	Annual General Meeting
Number of meetings held in FY2020	5	4	1	1	1
Loh Kim Kang David	5	*4	*1	–	1
Han Seng Juan	5	*4	*1	–	1
Wong Kok Hoe	5	*4	*1	–	1
Teo Peng Kwang	5	*4	–	–	1
Chandra Mohan s/o Rethnam	5	4	*1	1	1
Gn Hiang Meng	5	4	1	–	1
Owi Kek Hean	5	4	1	–	1
Tan Poh Hong	5	*4	1	1	1
Lee Wei Loon	5	*4	*1	1	1

* Attendance of Director (who was non-member) by invitation of the Board Committee.

Code provision A.2.7 of the HK CG Code requires that the Chairman of the Board should at least annually hold meetings with Independent Non-Executive Directors without the presence of other Directors. During FY2020, a meeting was held between the Joint Chairmen of the Board and the Independent Non-Executive Directors without the presence of other Directors.

Director Orientation and Training

The Company has put in place orientation programmes for newly appointed Directors to ensure that they are familiar with the Group structure, and understand the Company's business and operations. Newly appointed Director, if any, will participate in an orientation programme which includes meeting with the Joint Chairmen of the Board and/or Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to obtain an understanding of the affairs of the Group's business (*Provision 1.2 of 2018 Code*). All Directors have been provided a formal letter of appointment setting out the key terms of their appointments, duties and obligations. There was no new Director appointed during the financial year under review.

Directors are encouraged to attend, at the Company's expense, relevant trainings, seminars and courses conducted by external organisations such as the Singapore Institute of Directors ("SID") and Accounting and Corporate Regulatory Authority of Singapore ("ACRA") as part of their continuing professional/skills development. These are informed to the Directors by Management. The Company Secretaries and Management also keep the Directors informed of upcoming conferences and seminars such as those conducted by SID. (*Provision 1.2 of 2018 Code*).

CORPORATE GOVERNANCE

The Directors are also provided regularly with updates on changes in the relevant laws and regulations, where appropriate, by Management and Company Secretaries, to enable them to keep pace with new laws and regulations and make well-informed decisions, and to discharge their duties responsibly (*Provision 1.2 of 2018 Code*). News releases/guidance issued by the SGX-ST, ACRA and SEHK, which are relevant to the Directors are circulated to the Board. The external auditors regularly update the Audit Committee and the Board on new or revised financial reporting standards which are relevant and applicable to the Group (*Provision 1.2 of 2018 Code*).

Lee Wei Loon (“Mr Lee”), who was appointed as an Independent Non-Executive Director on 13 November 2019, had in March 2020 attended training courses conducted by SID, namely, (i) Listed Entity Director (“LED”) 1 – Listed Entity Director Essentials, (ii) LED 2 – Board Dynamics, (iii) LED 3 – Board Performance and (iv) LED 4 – Stakeholder Engagement, as prescribed by SGX-ST, to familiarise himself with the roles and responsibilities as a Director of a listed company in Singapore. During the year under review, Tan Poh Hong (“Ms Tan”) had attended seminars and trainings on the topics Executive and Director Remuneration, Looking Beyond the Veneer of Nos., conducted by SID and the ASEAN Market & FTA Opportunities, conducted by Singapore Business Federation. Owi Kek Hean (“Mr Owi”) and Gn Hiang Meng (“Mr Gn”) had attended a seminar conducted by SID on the topic, Looking Beyond the Veneer of Nos. All the Directors had also participated in an e-training provided by the SEHK on the Launching of e-training and publication of guidance materials on ESG reporting (*Provision 1.2 of 2018 Code*).

During the year under review, the Directors have also been briefed and/or provided with updates, *inter alia*, on key changes to regulatory requirements, developments in financial reporting standards and corporate governance requirements in Singapore and Hong Kong (*Provision 1.2 of 2018 Code*).

Pursuant to Code Provision A.6.5 of the HK CG Code, the Company will arrange for all the Directors to participate in continuous professional development trainings/briefings to develop and refresh their knowledge and skills.

All Directors have separate, independent and unrestricted access to Management and Company Secretaries at all times in carrying out their duties (*Provision 1.7 of 2018 Code*).

To enable the Board to fulfil its responsibilities, Management provides the Directors with adequate, complete and timely information including information on financial performance of the Group prior to meetings and on an on-going basis. Board papers and related materials or explanatory information are provided prior to each Board and Board Committee meeting to allow Directors sufficient time to review and consider the agenda items and to facilitate productive discussions during the meetings. The CEO also updates the Board on a quarterly basis highlighting the activities, performance, business conditions and outlook of the Group. Management’s proposals to the Board and Board Committees for decisions provide background and explanatory information which includes but not limited to monthly management accounts and analysis, information on budgets, forecasts and cash flow projections. Directors are entitled to request from the CEO or Management and be provided with such additional information as needed to make informed and timely decisions (*Provision 1.6 of 2018 Code*).

According to the Code Provision C.1.2 of the HK CG Code, Management shall provide all members of the Board with monthly updates. During the period under review, the CEO has provided and will continue to provide to all members of the Board with updates on any material changes to the positions and prospects of the Company, which is considered to be sufficient to provide general updates of the Company’s performance, position and prospects to the Board and allow them to give a balanced and understandable assessment of the same to serve the purpose required by the Code Provision C.1.2 of the HK CG Code.

Under the direction of the Joint Chairmen of the Board (or any of them), Deputy Chairman of the Board and/or CEO, the Company Secretary(ies) ensure(s) good information flows within the Board and its committees and between Management, Non-Executive Directors and Independent Directors. An agenda for each meeting of the Board and Board Committees together with the board papers and relevant documents or materials which are prepared in consultation with the respective Chairmen are usually circulated before the holding of each Board and Board Committee meeting (*Provision 1.6 of 2018 Code*). This allows control over the quality, quantity and timeliness of the flow of information between Management and the Board.

CORPORATE GOVERNANCE

The Company Secretary(ies) also attend(s) Board and Board Committee meetings, where appropriate, and provides advice, secretarial support and assistance to the Board and ensures adherence to the Board procedures and relevant rules and regulations applicable to the Company. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary(ies) is subject to the approval of the Board (*Provision 1.7 of 2018 Code*).

The Board (whether individually or as a group) has, in the furtherance of its duties, access to independent professional advice, if necessary, at the Company's expense (*Provision 1.7 of 2018 Code*).

Board Composition and Guidance – Principle 2

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company

With effect from 1 March 2021, Loh Kim Kang David ("Mr Loh"), was re-designated from Non-Executive Director to Executive Director. Mr Loh remains as the Joint Chairman of the Board.

As at the date of this Annual Report, the Board comprises three (3) Executive Directors, one (1) Non-Executive Director and five (5) Independent Non-Executive Directors, as follows (*Provisions 2.2 and 2.3 of 2018 Code*):

Han Seng Juan (Joint Chairman)	–	Non-Executive Director
Loh Kim Kang David (Joint Chairman)	–	Executive Director
Wong Kok Hoe (Deputy Chairman)	–	Executive Director
Teo Peng Kwang	–	Executive Director
Gn Hiang Meng	–	Lead Independent Director
Chandra Mohan s/o Rethnam	–	Independent Non-Executive Director
Owi Kek Hean	–	Independent Non-Executive Director
Tan Poh Hong	–	Independent Non-Executive Director
Lee Wei Loon	–	Independent Non-Executive Director

The Board currently comprises a majority of independent and non-executive Directors as the Joint Chairmen of the Board are not independent (*Provision 2.2 of 2018 Code*).

The Board, through its Nominating Committee, reviews, on an on-going basis, the structure, size and composition of the Board in order to evaluate the Board's effectiveness in carrying out its duties.

The Board, in concurrence with the Nominating Committee, is of the view that given the nature and scope of the Group's operations, the present Board and Board Committees are of an appropriate size for the Company and to provide for effective decision-making. Given the diverse qualifications, experience, background and profile of the Executive, Non-Executive and Independent Directors, the Board collectively possesses core competencies in areas such as accounting or finance, legal and regulatory matters, risk management, business or management experience and industry knowledge. As such, the Board is of the opinion that the current Board members, as a group, provide an appropriate balance and diversity of the relevant skills, experience and expertise required for effective management of the Group (*Provision 2.4 of 2018 Code*).

Key information regarding the Directors, including their appointment dates, date of last re-appointment as a Director, relationships between the Directors (if any), current and past three (3) years' directorships or chairmanships held in public companies the securities of which are listed on any securities market in Singapore, Hong Kong or overseas and other principal commitments, if any, are set out in the section entitled "Board of Directors" on pages 8 to 12 in this Annual Report (*Provision 4.5 of 2018 Code*). In addition, information on shareholdings (if any) held by each Director in the Company can be found on page 103 of this Annual Report.

CORPORATE GOVERNANCE

The Company has received written annual confirmation from each of the Independent Non-Executive Directors in respect of his/her independence pursuant to Rule 210(5)(d) of the Listing Manual of SGX-ST, 2018 Code and Rule 3.13 of the HK Listing Rules.

The Nominating Committee had reviewed the independence of Director for FY2020 in accordance with the definition of independence/circumstances set out in the 2018 Code and accompanying Practice Guidance (*Provision 4.4 of 2018 Code*), Rule 210(5)(d) of the Listing Manual of the SGX-ST and circumstances/factors set forth under Rule 3.13 of the HK Listing Rules, and is satisfied that a majority of the Board comprises Independent Non-Executive Directors with at least one of whom possessing appropriate professional qualifications on accounting or related financial management expertise.

Each member of the Nominating Committee or each Director had abstained from deliberation of the Nominating Committee/Board in respect of the assessment of his/her own independence.

The Independent Non-Executive Directors are independent in conduct, character and judgement and are not related to and do not have any relationship (whether familial, business, financial, employment, or otherwise) with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company (*Provision 2.1 of 2018 Code*).

In respect of the Independent Non-Executive Directors, namely, Mr Gn and Chandra Mohan s/o Rethnam ("Mr Mohan"), who have served on the Board of the Company for more than nine (9) years from the date of their first appointments on 17 May 2007, the Nominating Committee had reviewed and confirmed that each of Mr Gn and Mr Mohan continues to be independent after taking into consideration the following factors:

- (i) Each of Mr Gn and Mr Mohan has provided invaluable contributions to the Board through his integrity, objectivity and professionalism notwithstanding the years of service.
- (ii) Each of Mr Gn and Mr Mohan has expressed succinctly and objectively his views on issues and provided relevant and invaluable input during Board and/or Board Committee meetings.
- (iii) Each of Mr Gn and Mr Mohan has continued to demonstrate strong independence in character and judgement in the best interest of the Company in the discharge of his duties as Directors.
- (iv) Each of Mr Gn and Mr Mohan has continued to provide overall guidance to the Company's management and in protecting the Company's assets and upholding the interests of all shareholders, in particular, non-controlling shareholders.

Accordingly, the Nominating Committee had recommended to the Board that both Mr Gn and Mr Mohan to continue to be considered Independent Non-Executive Directors. After due consideration, the Board has resolved that each of Mr Gn and Mr Mohan continues to be considered an Independent Non-Executive Director and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

With effect from 1 January 2022, a director who has served on the board for an aggregate period of more than nine (9) years will no longer be eligible to be designated as an independent director unless his continued appointment as an independent director has been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the company, and associates of such directors and chief executive officer (as required by Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022) prior to 1 January 2022.

The Board has accepted the Nominating Committee's recommendation that, for the purposes of Rule 210(5)(d)(iii) of the SGX-ST's Listing Manual (which will take effect from 1 January 2022), the continued appointments of Mr. Gn and Mr. Mohan, each of whom has served as an Independent Non-Executive Director for an aggregate term of more than nine (9) years, as Independent Non-Executive Directors will have to be approved in separate resolutions in the manner described in Rule 210(5)(d)(iii) of the SGX-ST's Listing Manual at the forthcoming Annual General Meeting ("AGM").

CORPORATE GOVERNANCE

Each of Mr Gn (being a Nominating Committee member and Board member) and Mr Mohan (being a Board member) had recused himself from deliberation and voting in respect of the assessment on his own independence; and deliberation and voting in respect of his own nomination for re-election at the AGM.

The Non-Executive Directors constructively challenge Management and assist in the development of proposals on strategy. The Non-Executive Directors also review the performance of the CEO and Management.

The Non-Executive Directors and Independent Directors meet regularly without the presence of Management (*Provision 2.5 of 2018 Code*).

Chairman and Chief Executive Officer – Principle 3

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

The roles of the Chairman and CEO are kept separate to ensure that there is an appropriate balance of power and authority, and that accountability and independent decision making are not compromised. The Joint Chairmen of the Board and the CEO have no close family ties and are not immediate family members (*Provision 3.1 of 2018 Code*).

The Board has also adopted written internal guidelines on division of roles and responsibilities among the Joint Chairmen of the Board (*Provision 3.2 of 2018 Code*).

As Joint Chairmen of the Board, Han Seng Juan ("Mr Han"), a Non-Executive Director, and Mr Loh, an Executive Director, are jointly responsible for (a) the formulation of corporate and business strategies of the Company; and (b) the management of the Board and Board meetings and to ensure effective communication with shareholders and other stakeholders. They are jointly and equally responsible for carrying out the duties of a Board chairman as prescribed under the Constitution of the Company, the HK Listing Rules, the SGX-ST's Listing Manual, the 2018 Code and/or other applicable laws or regulations. Amongst their other duties, the Joint Chairmen of the Board set the agendas for and chair Board meetings and, in consultation with the Company Secretaries, Deputy Chairman and CEO, schedule Board meetings at appropriate intervals during the year. They are responsible for the exercise of control of the quality, quantity and timeliness flow of information between Management and the Board and the workings of the Board. The Joint Chairmen of the Board promote a culture of openness and debate at the Board. They also encourage constructive relations within the Board and between the Board and Management and ensure the integrity and effectiveness of the governance process of the Board. They take a lead role in promoting high standards of corporate governance with the full support of the Directors, Deputy Chairman, CEO, Management and Company Secretaries (*Provision 3.2 of 2018 Code*).

The Deputy Chairman, Wong Kok Hoe ("Mr Wong"), assisted by the CEO, is responsible for overseeing the Group's operations and implementation of the Company's business strategies and developing new business opportunities for the Group. He also participates in the formulation of corporate and business strategies of the Company, and when the need arises, chair Board meetings or general meetings (*Provision 3.2 of 2018 Code*). The Deputy Chairman and the CEO have no close family ties and are not immediate family members (*Provision 3.1 of 2018 Code*).

The CEO, Kong Chee Min ("Mr Kong"), assisted by the various functional directors and senior management, manages and is responsible for the Group's day-to-day operations and business. The CEO also bears executive responsibility for the Group's business and implements the Board's decisions (*Provision 3.2 of 2018 Code*).

Mr Gn is the Lead Independent Director ("LID") and he is available to shareholders should they have concerns and for which contact through the Joint Chairmen of the Board, Deputy Chairman, CEO or CFO is inappropriate or inadequate (*Provision 3.3 of 2018 Code*). The Independent Directors have met without the presence of other Directors in FY2020, when necessary, and the LID has provided feedback to the Joint Chairmen of the Board after such meetings, as appropriate (*Provision 2.5 of 2018 Code*).

CORPORATE GOVERNANCE

Board Membership – Principle 4

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board

The Company believes that Board renewal should be an on-going process in order to ensure good corporate governance. The Nominating Committee reviews the structure, size, composition and diversity of the Board and Board Committees regularly, including the need for progressive refreshing of the Board, and makes recommendation to the Board, if any adjustment is necessary.

The Nominating Committee has put in place a Director Nomination Policy which sets out the selection criteria and process in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- Diversity aspects under the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience;
- Requirements of Independent Non-Executive Directors on the Board and independence of the proposed Independent Non-Executive Directors in accordance with the HK Listing Rules and the SGX-ST's Listing Manual;
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board Committee(s) of the Company; and
- Such other perspectives that are appropriate to the Company's business and succession plan.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nominating Committee reviews the Director Nomination Policy to ensure its effectiveness annually or as required.

The Nominating Committee takes the lead in identifying, evaluating and selecting suitable candidates for new directorships before recommendation to the Board for appointment. The search for new Directors, if any, will be made through internal and external sources (for example, personal contacts of current Board members, or by referral of the Company's business associates or SID) and will, if considered necessary, be made through external search firms/consultants, at the Company's expense. The Nominating Committee considers potential candidates for appointments based on, *inter alia*, the candidates' qualification, knowledge, skills and experience, as well as his/her suitability to further enhance the diversity of skills, knowledge and experience of the Board in order to meet the business and governance needs of the Group. Shortlisted candidates will be evaluated by the Nominating Committee before recommending to the Board for consideration (*Provision 4.3 of 2018 Code*).

During the year, there was no appointment of new Director to the Board.

The Board does not have any alternate directors.

CORPORATE GOVERNANCE

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees, and their overall contributions and time commitment to the business affairs of the Company, the Nominating Committee is of the view that there is no need to set a maximum limit on the number of listed company board representations and other principal commitments of each Director. However, the Nominating Committee monitors and determines annually their board representations and other principal commitments to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. The Nominating Committee is satisfied that, for FY2020, Non-Executive Directors and Independent Non-Executive Directors have given sufficient time and attention to the affairs of the Company and were able to adequately carry out his/her duties as a Director of the Company (*Provisions 1.5 and 4.5 of 2018 Code*). The Board concurred with the Nominating Committee's views.

Under Code Provision A.4.1 of the HK CG Code, Non-Executive Directors should be appointed for a specific term, subject to re-election. As at the date of this Annual Report, Mr Han, Non-Executive Director of the Company, and Mr Gn, Mr Mohan and Mr Owi, Independent Non-Executive Directors of the Company, are appointed for a fixed term of three (3) years commencing from the Listing Date and is renewed for another three (3) years commencing from 12 December 2020, which may be terminated in accordance with the terms of their letters of appointment with the Company. Subsequent to his re-designation from Non-Executive Director to Executive Director on 1 March 2021, Mr Loh has entered into a service contract with the Company for a fixed term of three (3) years commencing from 1 March 2021, which may be terminated in accordance with its terms.

The other two (2) Independent Non-Executive Directors of the Company, namely, Ms Tan and Mr Lee, are also appointed for a fixed term of three (3) years commencing from 8 May 2018 and 13 November 2019, respectively, which may be terminated in accordance with the terms of their letters of appointment with the Company.

All the Directors of the Company are subject to retirement by rotation and are eligible for re-election at the AGM. In accordance with Regulation 89 of the Company's Constitution, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), as nearly as possible to one-third) shall retire from office by rotation at each AGM. Provided that each Director shall be subject to retirement and rotation at least once in every three (3) years, in line with the requirements of SGX-ST's Listing Manual. In accordance with Regulation 88 of the Company's Constitution, all Directors appointed by Directors as an additional Director or to fill a casual vacancy shall hold office only until the next AGM following their appointments. The Directors retiring from office are eligible for re-election at the AGM.

Pursuant to Regulation 89 of the Company's Constitution and in respect of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the following Directors who will be subject to retirement at the forthcoming AGM have offered themselves for re-election at the AGM:–

- (i) Han Seng Juan
- (ii) Gn Hiang Meng
- (iii) Chandra Mohan s/o Rethnam

Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of his or her re-nominating as a Director.

The Nominating Committee has recommended the re-appointment of Han Seng Juan, Gn Hiang Meng and Chandra Mohan s/o Rethnam, who will be retiring at the forthcoming AGM, as Directors following a review of their qualifications, expertise, experience, overall contribution to the Company and contributions at Board and/or Board Committee meetings (such as participation, attendance, preparedness and candour) and review of their independence, as appropriate (*Provision 4.1(d) of 2018 Code*). The Board has accepted the Nominating Committee's recommendation.

Accordingly, the above-named Directors will be offering themselves for re-election. The relevant information on each of the above-named Director can be found in the section entitled "Board of Directors" on pages 8 to 12 of this Annual Report and also in the Circular to Shareholders dated 24 March 2021 ("Circular") accompanying the Notice of the forthcoming AGM.

CORPORATE GOVERNANCE

Each of Mr Han (being a Board member), Mr Gn (being a Nominating Committee member and Board member) and Mr Mohan (being a Board member) had recused himself from deliberation and voting in respect of his own nomination for re-election at the forthcoming AGM.

Company Secretaries

As at the date of this Annual Report, the Company Secretaries are Hazel Chia Luang Chew ("Ms Chia"), Juliana Tan Beng Hwee ("Ms Tan") and Cheung Yuet Fan ("Ms Cheung"). Both Ms Chia and Ms Tan are practising chartered secretaries to engage in public practice in Singapore certified by the Chartered Secretaries Institute of Singapore (formerly known as the Singapore Association of the Institute of Chartered Secretaries and Administrators).

In connection with the Company's Dual Primary Listing and to meet the requirements under Rule 3.28 of the HK Listing Rules, the Company has appointed Ms Cheung, a member of The Hong Kong Institute of Chartered Secretaries, as the Company's Hong Kong Company Secretary, to act jointly and to work closely with Ms Chia and Ms Tan in discharge of their duties as Company Secretaries for an initial period up to 11 December 2020. Prior to the expiry of the said period, a further evaluation of the qualifications and experience of Ms Chia and Ms Tan and the need for on-going assistance from Ms Cheung has been made and the Board has approved to continue to engage Ms Cheung as the Hong Kong Company Secretary. Mr Kong, CEO of the Company, is the primary contact person at the Company who would work and communicate with Ms Cheung on the Company's corporate governance and secretarial and administrative matters.

Key information regarding the Company Secretaries, including their date of appointment, academic and/or professional qualifications and relevant work experience, are set out in the section entitled "Company Secretary" on page 16 in this Annual Report.

During FY2020, each of Ms Chia, Ms Tan and Ms Cheung has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the HK Listing Rules.

Nominating Committee

The Nominating Committee ("NC"), regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors, as follows (*Provisions 1.4, 4.1 and 4.2 of 2018 Code*):

Owi Kek Hean (Chairman)	–	Independent Non-Executive Director
Gn Hiang Meng	–	Independent Non-Executive Director
Tan Poh Hong	–	Independent Non-Executive Director

The Chairman of the NC is Mr Owi, an Independent Non-Executive Director who is not associated with any substantial shareholder. Mr Gn, the LID, is a member of the NC (*Provision 4.2 of 2018 Code*).

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board (*Provision 2.4 of 2018 Code*). The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the NC reviews annually the structure, size and composition of the Board and, where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group's operational and business requirements.

CORPORATE GOVERNANCE

In assessing the Board composition, the NC would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional qualifications and experience, skills, knowledge, industry and regional experience, etc. All Board appointments will be based on meritocracy, and the NC would consider candidates against objective criteria, having due regard for the benefits of diversity on the Board (*Provision 2.4 of 2018 Code*).

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered (*Provision 2.4 of 2018 Code*).

The NC reviews the Board Diversity Policy, as appropriate and on an annual basis, to ensure its effectiveness including setting measurable objectives (if necessary) and will recommend appropriate revisions to the Board for consideration and approval. The current make-up of the Board reflects the Company's commitment to the relevant diversity in gender, age, educational qualifications, ethnicity, skills, knowledge and industry experience as set out in the Board Diversity Policy (*Provision 2.4 of 2018 Code*).

The NC is responsible for making recommendations to the Board on all appointments and re-appointments of Directors (*Provision 4.1(d) of 2018 Code*).

The NC meets at least once annually and as and when deemed necessary.

The key duties and responsibilities of the NC are summarised below (*Provisions 1.4 and 4.1 of 2018 Code*):

- assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of the chairman and each individual Director to the effectiveness of the Board;
- reviews and nominates newly appointed Directors and Directors retiring by rotation, having regard to their contributions and performance, for re-election at each AGM;
- reviews and recommends all new appointments to the Board. The NC ensures that new Directors are aware of their duties and obligations;
- reviews and recommends all appointments of senior management staff (who are not for appointment to the Board);
- determines on an annual basis the independence of each Director;
- decides whether a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when the Director has multiple Board representations;
- identifies gaps in the mix of skills, experience and other qualities required in an effective Board so as to better nominate or recommend suitable candidates to fill the gaps;
- reviews Board succession plans for Directors, in particular, the Chairman, CEO and key management personnel; and
- reviews training and professional development programme for the Board, its Directors and senior management.

CORPORATE GOVERNANCE

During the year, the NC met once to review the structure, size, composition and diversity of the Board, the Board Diversity Policy, Director Nomination Policy and independence of the Independent Non-Executive Directors, and to consider and recommend to the Board retiring Directors standing for election at the AGM, amongst its other duties.

In February 2021, the NC had recommended, and the Board having considered Mr Loh's experience, capabilities and familiarity with the business of the Group as well as his business network, concurred with the recommendation of the NC and approved, the re-designation of Mr Loh from Non-Executive Director to Executive Director, with effect from 1 March 2021, in line with the strategic growth plans of the Group. As Executive Director and Joint Chairman of the Board, Mr Loh is responsible for the formulation of corporate and business strategies of the Company and to lead the execution of strategic growth plans of the Group.

The Company strives to retain talents and groom our employees to ensure that they will and are ready to meet future business needs of the Group. The Board oversees the long-term succession planning for our senior management and ensures appropriate development and succession planning programmes are in place for key executive roles.

Board Performance – Principle 5 (including Provisions 5.1 and 5.2 of 2018 Code)

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

The NC has adopted a formal process of evaluating the performance of the Board as a whole, and each of the Board Committees. The Board and Board Committees performance evaluation process involves completion of questionnaires by Board members. A summary of findings is prepared by the Company Secretary based on the completed questionnaires and is reviewed and deliberated by the NC before submitting to the Board for review. The Chairman of the NC confers with the Joint Chairmen of the Board on the findings and appropriate follow-up actions are taken as necessary.

The Board performance evaluation is carried out annually and the performance criteria includes, amongst other things, the Board's composition, size and expertise, timeliness of Board information, accountability and processes, Board members communication and communications with senior management and shareholders.

Performance evaluations of Board Committees, namely, Audit Committee, NC and Remuneration Committee are also conducted annually and the performance criteria includes, amongst other things, the respective Board Committees' composition, size and expertise, accountability and processes and communication with shareholders.

A peer to peer evaluation in respect of FY2020 was carried out in addition to evaluating the performance of the Board and the Board Committees as a whole. The performance of all Directors, including the Joint Chairmen of the Board, were individually reviewed by their fellow Directors by completing a questionnaire, taking into consideration, amongst others, the Director's business and industry knowledge, commitment, contributions and performance at Board and Board Committee meetings, including attendance, preparedness, participation and candour, communication skills and interaction with fellow Directors, senior management and auditors. A summary of findings is prepared by the Company Secretary based on the completed questionnaires and is reviewed and deliberated by the NC before submitting to the Board. The Chairman of the NC confers with the Joint Chairmen of the Board on the findings and appropriate follow-up actions are taken as necessary.

No external facilitator had been engaged by the Board for the purpose of the aforesaid performance evaluations.

CORPORATE GOVERNANCE

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies – Principle 6

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration

Remuneration Committee

The Remuneration Committee ("RC"), regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors, as follows (*Provisions 1.4, 6.1 and 6.2 of 2018 Code*):

Chandra Mohan s/o Rethnam (Chairman)	–	Independent Non-Executive Director
Tan Poh Hong	–	Independent Non-Executive Director
Lee Wei Loon	–	Independent Non-Executive Director

The members of the RC have many years of corporate experience and are knowledgeable in the field of executive compensation. The RC also has access to external professional advice on remuneration and human resource related matters, if required.

The RC meets at least once annually, and as and when deemed necessary, to carry out its functions. The key duties and responsibilities of the RC are summarised below (*Provisions 1.4 and 6.1 of 2018 Code*):

- reviews and recommends to the Board a framework of remuneration as well as determines the remuneration package and terms of employment for each Director, the CEO, key management personnel and employees who are substantial shareholders of the Company, or who are immediate family members of a Director, the CEO or a substantial shareholder of the Company; and
- reviews the remuneration policies and packages for key management personnel on an annual basis.

The RC's review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits-in-kind and termination terms (if any) to ensure they are fair (*Provision 6.3 of 2018 Code*).

The RC has access to the Company's internal human resource department to assist in its review. The RC may from time to time seek advice from external remuneration consultants, who are unrelated to the Directors and any organisation they are associated with, as well as confidentially from selected senior management, including the Head of Human Resources, at its discretion. The Company did not appoint any external remuneration consultants in FY2020. (*Provision 6.4 of 2018 Code*).

The RC's recommendations are submitted for endorsement by the entire Board. Annual review of the compensation of Directors is also carried out by the RC to ensure that the remuneration of the Directors, CEO and key management personnel commensurate with their performance and value-add to the Group, giving due regard to the financial and commercial health, business needs and strategic objectives of the Group and long-term success of the Company (*Provision 7.1 of 2018 Code*).

Each member of the RC or each Director abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC/Board in respect his/her own remuneration.

During FY2020, the RC held one (1) meeting to review the remuneration packages of the Executive Directors, CEO and key management personnel (including senior management) of the Group and employees who are substantial shareholders of the Company, or who are immediate family members of a Director, the CEO or a substantial shareholder of the Company (if any), to discuss remuneration related matters and recommended to the Board the proposed quantum of Directors' fees for Executive and Non-Executive Directors, including Independent Non-Executive Directors.

CORPORATE GOVERNANCE

In relation to the re-designation of Mr Loh from Non-Executive Director to Executive Director, with effect from 1 March 2021, the RC had recommended and the Board had approved the remuneration package of Mr Loh including his terms of employment.

Level and Mix of Remuneration – Principle 7

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

The remuneration for the Executive Directors, CEO and key management personnel is based on the terms of their respective service contracts entered into with the Company, and comprises a fixed component (in the form of basic salary and annual wage supplement) plus a variable component in the form of annual performance bonus tied to individual performance as well as the Company's performance, taking into account the strategic objectives of the Company (*Provision 7.1 of 2018 Code*).

Directors' fees payable to the Executive Directors and all the Non-Executive Directors, including Independent Directors, are set in accordance within a remuneration framework comprising a basic fee and a fixed fee taking into account factors, such as, their respective roles and responsibilities for serving on the Board and/or Board Committee(s) as well as their contribution, effort and time spent (*Provision 7.2 of 2018 Code*). The RC ensures that the Non-Executive Directors should not be overly compensated to the extent that their independence may be compromised.

The Board is of the view that the current remuneration structure for the Executive Directors, CEO and key management personnel are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel (including CEO) to successfully manage the Company for the long term (*Provision 7.3 of 2018 Code*).

As announced by the Company on 25 February 2021, in view of the uncertainty amidst the Covid-19 pandemic and continued challenges ahead, (a) the Directors of the Company have agreed to continue to take a voluntary 15% reduction in Directors' fees and (b) senior management staff of the Group in Singapore have agreed to continue to take a pay cut ranging from 10% to 15% ("Fee and Salary Reduction") in respect of the financial year ending 31 December 2021 ("FY2021"), as part of the Company's measures to strengthen cash flow management and controls to conserve cash, subject to review at the end of FY2021. The RC and Board had agreed and accepted/approved the Fee and Salary Reduction.

The Board will table the Directors' fees in respect of FY2021, to be paid quarterly in arrears, for shareholders' approval at the forthcoming AGM. If approved, this will enable the Company to pay the Directors for their services rendered during the course of the financial year and facilitate Directors' compensation for services rendered in a more timely manner.

The existing service contracts for the Executive Directors, CEO and key management personnel are for a period of three (3) years and thereafter will be automatically renewed annually. The service contract provides for termination by each party, upon giving not less than three (3) months' notice in writing. New service contracts or renewals, if any, will be subject to RC's review to ensure that the terms are fair and for a reasonable period. The contracts of the Executive Directors, CEO and key management personnel include the "claw back" clauses to safeguard the Group's interests in the event of exceptional circumstances of misstatement of financial statements or misconduct resulting in financial loss or fraud by the Executive Directors, CEO and key management personnel.

The Company does not have any long-term incentive schemes in place (*Provision 8.3 of 2018 Code*).

CORPORATE GOVERNANCE

Disclosure on Remuneration – Principle 8

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

Directors' and CEO's Remuneration

Directors' fee structure for a financial year is as follows:

Board Member Fee (Base)	SGD43,000 for Non-Executive Director / SGD10,000 for Executive Director
Board Chairman Fee*	SGD43,000
Audit Committee Chairman Fee	SGD36,000
Audit Committee Member Fee	SGD18,000
RC Chairman Fee	SGD20,000
RC Member Fee	SGD10,000
NC Chairman Fee	SGD17,000
NC Member Fee	SGD8,500
Lead Independent Director Fee	SGD15,000

* For the Joint Chairmen of the Board, each of them shall receive 50% of the Board Chairman Fee.

Note: The above Directors' fee structure sets out fees payable to Directors without taking into account the voluntary 15% reduction in Directors' fees in respect of FY2021.

Details of remuneration of the Directors and CEO (who is not Director) for FY2020 are set out below (Provisions 8.1 (a) and 8.3 of 2018 code):

Name	Director's fees (\$'000)	Salary (\$'000)	Bonus (\$'000)	Other Benefits (\$'000)	Total (\$'000)
Executive Directors					
Wong Kok Hoe	9	448	283	42	782
Teo Peng Kwang Kelvin	9	373	283	38	703
Non-Executive Director					
Loh Kim Kang David ⁽¹⁾	58	–	–	–	58
Han Seng Juan	58	–	–	–	58
Independent Non-Executive Directors					
Chandra Mohan s/o Rethnam	73	–	–	–	73
Gn Hiang Meng	92	–	–	–	92
Owi Kek Hean	70	–	–	–	70
Tan Poh Hong	55	–	–	–	55
Lee Wei Loon	48	–	–	–	48
CEO (who is not Director)					
Kong Chee Min	–	419	283	39	741

Note:

- (1) Mr Loh was re-designated from Non-Executive Director to Executive Director on 1 March 2021, and remains as Joint Chairman of the Board.

CORPORATE GOVERNANCE

Remuneration of Key Management Personnel

Given the confidentiality and commercial sensitivity attached to remuneration matters, the Board is of the view that the detailed and specific disclosure of remuneration of top key management personnel is not in the best interest of the Company. The remuneration of top key management personnel is, however, disclosed in the bands of S\$250,000 with a breakdown showing the level and mix of remuneration in percentage terms. The Board is of the view that the information disclosed is sufficient for shareholders to have adequate understanding of the Company's remuneration policies and practice for key management personnel (*Provision 8.1(b) of 2018 Code*).

The aggregate remuneration paid to the 6 key management personnel (who are not Directors or the CEO) for FY2020 was S\$1,589,000. Breakdown (in percentage terms) of the remuneration paid to each of the 6 key management personnel (who are not Directors or the CEO) for FY2020 is set out below (*Provisions 8.1(b) and 8.3 of 2018 Code*):

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S\$250,000 to below S\$500,000				
Foo Ai Huey	81	16	3	100
Ho Lip Chin	73	27	0	100
Leong Siew Fatt	66	25	9	100
Below S\$250,000				
Lee Geok Ing Janice	85	12	3	100
Lim Choon Kwang	83	14	3	100
Yeo Boon Hing David ⁽¹⁾	87	0	13	100

Note:

(1) Retired as Director of Corporate Research and Innovation with effect from 1 October 2020.

As at the date of this report, Mr Loh (Executive Director and Joint Chairman of the Board) is a controlling shareholder of the Company, and Teo Peng Kwang (Executive Director and Chief Operating Officer, Accommodation Business) is a substantial shareholder of the Company. Details of their remuneration for FY2020 are hereinbefore disclosed.

Anthony Craig Bolger (Associate Director, Investments) is brother-in-law of Mr Loh (Executive Director, Joint Chairman of the Board and a controlling shareholder). For FY2020, Anthony Craig Bolger received a remuneration (comprising basic salary and annual bonus) of exceeding S\$150,000 but below S\$250,000 (*Provision 8.2 of 2018 Code*).

Save as disclosed above, there was no employee of the Group who was a substantial shareholder of the Company, or who was an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose annual remuneration exceeded S\$100,000 during the year under review.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO and the top key management personnel (who are not Directors or the CEO).

Save as disclosed above, there are no remuneration and other payments and benefits paid by the Company's subsidiaries to Directors and key management personnel of the Company (*provision 8.3 of 2018 code*).

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls – Principle 9

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risk is managed in the Group's businesses. The Board has ultimate responsibility to ensure that Management maintains a sound systems of risk management and internal controls to safeguard shareholders' interests and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and tolerance and has an oversight role in the design, implementation and monitoring of the risk management and internal controls systems (*Provision 9.1 of 2018 Code*). The Board acknowledges that it is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has approved a Group Enterprise Risk Management Framework for the identification of key risk within the Group's businesses, which has adopted and aligned with the Committee of Sponsoring Organisations of the Treadway Commission Internal Controls Integrated Framework. The Enterprise Risk Management Framework sets out a systematic and ongoing process to identify and assess risk and defines how risk information (including risk mitigation action plans) is collected, monitored and reported to Management, Audit Committee ("AC") and Board on a regular and timely basis.

The Board has delegated the AC to assist in its oversight of the risk management framework, policies and processes. The AC's principal functions and responsibilities on risk management, include the following (*Provision 9.1 of 2018 Code*):

- reviews and recommends risk management strategies and policies, and risk tolerance for the Board's approval;
- reviews and assesses the adequacy of risk management policies and framework in identifying, measuring, monitoring and managing risks, as well as the extent to which these policies and framework are operating effectively;
- ensures that adequate infrastructure, resources and systems are in place for an effective risk management, i.e. ensuring that staff responsible for implementing risk management systems performs those duties independent of the Group's risk taking activities; and
- provides risk oversight and reviews risk profiles of the Group.

With a view to identifying, handling and disseminating inside information, procedures have been implemented by the Group to ensure that unauthorized access and use of inside information are strictly prohibited.

For FY2020, the AC had reviewed the adequacy and effectiveness of the Group's risk management framework and systems and conducted dialogue sessions with Management to understand the process to identify, assess, manage and monitor key identified risks within the Group.

The Board, as supported by the AC as well as the management team, reviewed the risk management and internal controls (including financial, operational, compliance and information technology controls) systems for FY2020. Based on the above and the review of risk which the Group is exposed to as well as the understanding of what countermeasures and internal controls are in place to manage them, the AC and the Board concluded that the Group's risk management framework and internal controls (including financial, operational, compliance and information technology controls) systems were adequate and effectively managed (*Provision 10.1(b) of 2018 Code*).

CORPORATE GOVERNANCE

In respect of FY2020, the Board has obtained the following assurances (*Provision 9.2 of 2018 Code*):

- (a) a written confirmation from the CEO and CFO that the financial records have been properly maintained and the financial statements of the Company for FY2020 give a true and fair view of the Group's operations and finances; and
- (b) a written confirmation from the Executive Directors, CEO, CFO and relevant key management personnel that the Company's risk management and internal controls (including financial, operational, compliance and information technology controls) systems are adequate and effective.

The CEO and CFO have obtained similar assurance from the business and corporate executive heads in the Group.

The Group's external auditors have, in the course of their statutory audit, carried out a review of the Group's material internal control relevant to financial reporting in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Material non-compliance and internal control weaknesses noted during their audit and the auditors' recommendations are reported to the AC to ensure appropriate follow-up actions are taken/to be taken by Management.

The Group's internal auditor has conducted independent reviews of the effectiveness of the Group's material internal controls (including financial, operational, compliance and information technology controls) and risk management systems, at least once a year.

The AC reviews the external and internal auditors' reports and ensures that there are adequate and effective internal controls in the Group.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and the above-mentioned assurances from senior management and relevant key management personnel, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls (including financial, operational, compliance and information technology controls) systems were adequate and effective for FY2020 (*Provision 10.1(b) of 2018 Code*). No material weaknesses of internal controls and risk management systems were identified in respect of FY2020.

Audit Committee – Principle 10

The Board has an Audit Committee which discharges its duties objectively

The AC, regulated by a set of written terms of reference, comprises three (3) members, all of whom are Independent Non-Executive Directors, as follows (*Provisions 1.4 and 10.2 of 2018 Code*):

Gn Hiang Meng (Chairman)	–	Independent Non-Executive Director
Chandra Mohan s/o Rethnam	–	Independent Non-Executive Director
Owi Kek Hean	–	Independent Non-Executive Director

None of the members nor the Chairman of the AC are former partners or Directors of the Group's existing auditing firm (*Provision 10.3 of 2018 Code*).

The Board is of the view that the AC members have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions (*Provision 10.2 of 2018 Code*).

CORPORATE GOVERNANCE

During the year under review, the AC members have attended meetings and discussions, organised by Management, with the external auditors, the internal auditors and the Company Secretary(ies) on financial standards updates, changes in corporate governance and risk management requirements. The AC members also individually attended external seminars on financial, corporate governance and regulatory related topics to keep themselves abreast of the latest changes or developments, where appropriate.

The AC meets at least four (4) times a year, and as and when deemed necessary, to carry out its functions.

The AC's primary function is to provide assistance to the Board in fulfilling its responsibility relating to corporate accounting and auditing, the Company's financial reporting practices, the quality and integrity of the Company's financial reports and the Company's internal control systems including financial, operational, compliance and information technology controls, and risk management policies established by Management and the Board (*Provisions 1.4 and 10.1 of 2018 Code*).

The AC also performs the following key functions (*Provisions 1.4 and 10.1 of 2018 Code*):

- review significant financial reporting issues and judgements so as to ensure integrity of the financial statements of the Company, and any announcements relating to the Company's financial performance;
- reviews the audit scope, approach and results of the internal and external auditors;
- evaluates the overall effectiveness of both the internal and external audits through regular meetings with the internal and external auditors;
- reviews the adequacy, effectiveness and independence of the external audit and internal audit function;
- determines that no restrictions are being placed by Management upon the work of the internal and external auditors;
- evaluates the adequacy and effectiveness of the internal controls and risk management systems of the Company by reviewing written reports from the internal and external auditors, and Management's responses and actions to address any deficiencies noted;
- evaluates the adherence to the Group's administrative, operating and internal accounting controls;
- reviews the quarterly (if required), half-year and full-year financial statements of the Company and the Group before submission to the Board for approval;
- reviews the assurance from the CEO and CFO on the financial records and financial statements;
- reviews interested person transactions in accordance with the requirements of the Listing Rules of the SGX-ST and all potential conflicts of interests;
- reviews and approves all hedging policies and types of hedging instruments to be implemented by the Group, if any;
- reviews transactions by the Company, principally acquisitions and realizations, in accordance with the requirements of the Listing Rules of SGX-ST;
- ensures proper measures to mitigate any conflicts of interests have been put in place;
- reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

CORPORATE GOVERNANCE

- reviews all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors;
- reviews and recommends the appointment or re-appointment of the external auditors, including their remuneration; and
- considers other matters as requested by the Board.

The AC has full access to Management and full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions properly. The AC also has the authority to investigate any matter within its terms of reference.

The external auditors provide regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

Annually, the AC meets with the internal and external auditors without the presence of Management. This is to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, the independence and objectivity of the external auditors and the observations of the internal and external auditors (*Provision 10.5 of 2018 Code*).

The Company has adopted a whistle-blowing programme ("WB Policy") which provides an independent feedback channel for employees and external parties to report possible improprieties in matters of financial reporting or other matters directly to the AC Chairman and/or member of the AC in confidence and in good faith without fear of reprisals (*Provision 10.1(f) of 2018 Code*). The WB Policy establishes the processes by which whistleblowing complaints are handled and the confidentiality and identity of the whistleblower is maintained and protected. The AC ensures that arrangements are in place for independent investigation of matters raised and to allow appropriate follow-up actions to be taken. Details of the WB Policy have been disseminated and made available to all employees of the Group. To facilitate participation by the external parties, the WB Policy is also available on the Company's website at www.centurioncorp.com.sg.

During the year, the AC held four (4) meetings to review the following, amongst other things:

- half-year and annual financial results, business updates announcements and interim and annual reports;
- internal and external auditors' plans and reports;
- adequacy and effectiveness of the risk management and internal control systems and internal audit function;
- re-appointment of external auditors and engagement of non-audit services (including non-audit fees) and relevant scope of works; and
- interested person transactions and reports made pursuant to the WB Policy (including appropriate follow-up actions taken) (*Provision 10.1 of 2018 Code*).

The AC also had one (1) meeting with the external and internal auditors, without the presence of Management.

The AC assesses the independence of the external auditors, PricewaterhouseCoopers LLP, annually (*Provision 10.1(e) of 2018 Code*). The AC has reviewed the non-audit services provided by the external auditors and is of the opinion that the provision of such services as well as the fees paid for FY2020 does not affect their independence.

CORPORATE GOVERNANCE

The aggregate amount of fees paid/payable to the external auditors for FY2020 are as follows:

	S\$'000
Audit fees paid/payable by the Company and its subsidiaries ⁽²⁾	532
Non-audit fees ⁽¹⁾ paid/payable by the Company and its subsidiaries ⁽²⁾	121
Total fees	653

Notes:

- (1) Included in the non-audit fees are mainly tax advisory and compliance fees.
 (2) Includes the network of member firms of PricewaterhouseCoopers ("PWC") International Limited ("PWCIL").

The AC has reviewed and confirmed that the Company has complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST in relation to the appointment of auditors of the Company, its subsidiaries and significant associated companies.

The AC has recommended the re-appointment of PricewaterhouseCoopers LLP as the Company's external auditors at the forthcoming AGM (*Provision 10.1(d) of 2018 Code*). Accordingly, the Company has complied with Rule 712 of the Listing Manual of the SGX-ST and Rule 13.88 of the HK Listing Rules.

Internal Audit

The Company has out-sourced its internal audit function to BDO LLP ("BDO") (*Provision 10.4 of 2018 Code*). The internal auditor reports directly to the Chairman of the AC and presents their reports and audit findings and recommendations to the AC.

The internal auditor is provided with unfettered access to the Company's properties, documents, information, records and personnel (*Provision 10.4 of 2018 Code*) and performs their reviews in accordance with the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practices of Internal Auditing established by the Institute of Internal Auditors. As the Group's outsourced internal auditor, BDO ensures that the engagement staff possess the relevant qualification and experience to conduct the internal audits.

The AC reviews the internal auditor's reports on the state of the Group's internal controls as well as approves the annual internal audit plans.

The AC decides on the appointment, termination and remuneration of the internal auditor (*Provision 10.4 of 2018 Code*).

The AC is satisfied that the internal auditor is independent and effective, and has the necessary resources and appropriate standing within the Company to adequately perform its functions (*Provision 10.1(e) of 2018 Code*).

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings – Principle 11

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects

The Company treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of shareholders' rights. Shareholders are informed of changes in the Company's business that are likely to materially affect the value of the Company's shares.

CORPORATE GOVERNANCE

At each AGM and/or General Meetings, shareholders are given the opportunity to participate effectively and raise their concerns with the Directors and Management on matters pertaining to the Group's business and its operations. According to the Company's Constitution, Notice of an AGM and any extraordinary general meeting ("EGM") at which it is proposed to pass a special resolution is dispatched to shareholders at least 21 clear days or 20 clear business days (whichever is longer) before the scheduled date for such meeting; while Notice of all other EGMs is dispatched to shareholders at least 14 clear days or 10 clear business days (whichever is longer) before the scheduled date for such meeting. In the case of any General Meeting at which a special business is to be transacted, the Notice of General Meeting will specify the general nature of such business, and if any resolution is to be proposed as a special resolution, the Notice of General Meeting will contain a statement to that effect (*Provisions 11.1 and 12.1 of 2018 Code*).

According to Regulation 48 of the Company's Constitution, the Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an EGM, or in default, the EGM may be convened by such requisitionists, including shareholders holding a minority stake in the Company which have shareholdings not less than ten per cent (10%) of the total number of paid-up shares as at the date of the requisition carries the right of voting at General Meetings.

According to Section 176 of the Companies Act (Chapter 50) of Singapore ("Companies Act"), directors of a company, notwithstanding anything in its constitution, shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than ten per cent (10%) of the total number of paid-up shares as at the date of the deposit carries the right of voting at general meetings, immediately proceed duly to convene an EGM of the company to be held as soon as practicable but in any case not later than two (2) months after the receipt by the company of the requisition.

Besides, according to Section 177 of the Companies Act, two (2) or more shareholders holding not less than ten per cent (10%) of the total number of issued shares of the company (excluding treasury shares) may call a meeting of the company.

A meeting of a company or of a class of shareholders, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution.

So far as the constitution does not make other provision in that behalf, notice of every meeting shall be served on every shareholder having a right to attend thereat in the manner in which notices are required to be served by the model constitution prescribed under section 36(1) for the type of company to which the company belongs, if any.

Conduct of Shareholder Meetings

The Company encourages shareholder participation at General Meetings of shareholders (*Provision 11.1 of 2018 Code*).

Shareholders have the opportunities to communicate their views on matters relating to the Group and to participate effectively in the meeting and to vote thereat, either in person or by proxy. The Company's Constitution allows:

- (a) a shareholder who is not a relevant intermediary or a clearing house (or its nominee(s)) to appoint not more than two (2) proxies to attend, speak and vote at the AGM and other General Meetings; and
- (b) a shareholder who is a relevant intermediary or a clearing house (or its nominee(s)) to appoint more than two (2) proxies to attend, speak and vote at the AGM and other General Meetings.

For the time being, the Board is of the view that this is adequate to enable shareholders to participate in General Meetings of the Company. Currently, the Company has not implemented measures to allow shareholders who are unable to vote in person at the Company's General Meetings the option to vote in absentia, such as, via mail, electronic mail or facsimile. However, under the provisions of the Company's Constitution, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders who are unable to vote in person at any General Meeting the option to vote in absentia (*Provision 11.4 of 2018 Code*).

CORPORATE GOVERNANCE

Issues seeking approval of shareholders are usually tabled as separate resolutions at AGM and General Meetings. Each item of special business included in the notice of the meeting will be accompanied by an explanation of the effects of a proposed resolution (*Provision 11.2 of 2018 Code*). Resolutions tabled at AGMs and other General Meetings are voted on by way of poll conducted in the presence of independent scrutineers. Poll voting procedures are explained by the Company Secretary or independent scrutineer at the AGMs and other General Meetings, where appropriate. The results of the poll voting are announced at the meeting and published via SGXNet and on the website of SEHK on the same day as the meeting.

Minutes of AGMs and other General Meetings are prepared and made available to shareholders upon their written request. The minutes of AGM, which include a summary of substantial and relevant comments or queries received from shareholders and responses from the Board and Management, are published via SGXNet, on the website of SEHK and on the Company's website (*Provision 11.5 of 2018 Code*).

All Directors are expected to attend AGMs and other General Meetings held by the Company. For the last AGM held, by electronic means (via live audio-visual webcast and live audio-only stream) in April 2020, Directors' attendance can be found on page 74 of this report. Besides Directors, senior management and external auditors are present at AGMs and other General Meetings, if any, to address queries from the shareholders (*Provision 11.3 of 2018 Code*).

In relation to the forthcoming AGM to be held on 27 April 2021, shareholders should note that:

- (a) The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- (b) Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the AGM physically in person (in Singapore). Shareholders will also not be able to vote online on the resolutions to be tabled for approval at the AGM.
- (c) Shareholders are advised to refer to the Notice of AGM which sets out the Company's arrangements relating to, among others, (i) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), (ii) submission of questions prior to the AGM, (iii) addressing of substantial and relevant questions prior to or at the AGM and (iv) voting by appointing the Chairman of the Meeting as proxy at the AGM.

Please refer to the Notice of AGM for further details.

Dividend Policy

The Company does not currently have a formal policy on payment of dividends to shareholders. The Group, however, plans to declare dividends on a half-yearly basis to reward shareholders taking into consideration the Group's annual profitability, cashflow requirements for its business expansion and retained earnings, as well as any other factors deemed relevant by the Directors. From the second quarter of FY2015 to FY2019, the Company had paid dividend on a half-yearly basis (*Provision 11.6 of 2018 Code*).

No dividend has been recommended by the Board of the Company in respect of FY2020, as the Company would like to conserve its cash resources in view of the unprecedented economic condition and uncertainty amidst the COVID-19 pandemic.

CORPORATE GOVERNANCE

Engagement with Shareholders – Principle 12

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company

The Company values dialogue with its shareholders and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible.

The Board provides shareholders with a balanced and understandable explanation and analysis of the Company's financial performance, position and prospects on a quarterly basis in the Company's announcements of business updates for first and third quarters in respect of a financial year, and half-year and full-year financial results.

The Company does not practice selective disclosure. In line with the continuous disclosure obligations of the Company, the Board ensures that shareholders are equally informed of all major developments within the Group on a timely basis. Financial results and other material information are communicated to shareholders on a timely basis through (*Provision 12.1 of 2018 Code*):

- Annual Report and Notice of the AGM prepared and issued to all shareholders within the mandatory period;
- Financial statements/results released through SGXNet and the website of SEHK in accordance with the requirements of the SGX-ST's Listing Rules and HK Listing Rules, respectively;
- Notices of and explanatory memoranda for AGMs and EGMs advertised in the newspapers and also published via SGXNet and the website of SEHK;
- Announcements relating to major developments of the Group made via SGXNet and the website of SEHK in accordance with the requirements of the SGX-ST's Listing Rules and HK Listing Rules, respectively; and
- Group's website at www.centurioncorp.com.sg at which shareholders can access information regarding the Group. The website provides all corporate announcements, press releases, annual reports, circulars, presentation slides and profiles of the Group. An email link has been established on the website to receive feedbacks, request for information and facilitate communications with shareholders.

In respect of proposing a person for election as a director of the Company at General Meetings, please refer to the procedures available on the Company's website through this link:

https://centurion.listedcompany.com/newsroom/Centurion_Corporation_Limited-Nomination_Procedures_for_Directors_English.pdf

Briefings for analysts, media and investors are held following the release of the Group's half-year and full-year financial results via SGXNet and on the website of SEHK. Presentations are also made, as appropriate, to explain the Group's strategy, performance and major developments. All analysts' and media briefing materials are made available via SGXNet and on the website of SEHK as well as on the Company's website for the information of shareholders (*Provision 12.1 of 2018 Code*).

The Company has engaged an external investor relations ("IR") firm which communicates with its shareholders and analysts on a regular basis and attends to their queries or concerns. The IR firm also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties. In addition, the Company participates in one-on-one meetings, conference calls, investor conferences and road shows. In these meetings, matters pertaining to business strategy, operational and financial performance and business prospects were shared by the senior management team (*Provision 12.2 of 2018 Code*).

CORPORATE GOVERNANCE

Shareholders may at any time send their enquiries and/or feedback about the Company to the Board in writing through our Investor Relations Contact, details are as follows (*Provision 12.3 of 2018 Code*):

DAVID PHEY

Head of Corporate Communications

Tel: +65 6745 3288

Email: david.phey@centurioncorp.com.sg

GEORGE GOH

Investor Relations Manager

Tel: +65 6745 3288

Email: george.goh@centurioncorp.com.sg

Engagement with Stakeholders – Principle 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served

The Board recognises the interests of the Company's internal and external stakeholders are essential as part of value creation for the Group. The Company adopts a proactive approach in engaging its stakeholders. The Company discloses in its Sustainability Report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period. Please refer to the section on "Stakeholder Engagement" on pages 54 to 55 for more information on how the Company engages and manages relationships with stakeholders (*Provisions 13.1 and 13.2 of 2018 Code*).

The Company maintains a corporate website at www.centurioncorp.com.sg to communicate and engage with its stakeholders (*Provision 13.3 of 2018 Code*).

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested person and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are subject to review by the AC to ensure compliance with Chapter 9 of the SGX-ST Listing Manual and Chapter 14A of the Hong Kong Listing Rules.

The Company's disclosure in accordance with Rule 907 of the SGX -ST Listing Manual in respect of interested person transactions for FY2020 is as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000)
Various associates of Controlling Shareholders Please see Note (i) for further details	Associates of Controlling Shareholders of the Company	S\$1,613,994
Teo Peng Kwang Please see Note (ii) for further details	Executive Director of the Company	S\$167,116

Notes:

- (i) During the financial year under review, the following transactions have been entered with associates of our controlling shareholders, Mr Loh Kim Kang David and Mr Han Seng Juan:
- 02.01.2020: Cost Sharing Reimbursement Agreement with Centurion Properties Pte Ltd S\$83,208
 - 02.01.2020: Staff Cost Sharing Reimbursement Agreement by Centurion Management & Consultancy Services Pte Ltd S\$111,054
 - 01.02.2019: Interest paid to Mr Loh Kim Kang David in respect of an aggregate principal amount of S\$1,000,000 of fixed rate notes due 2022 issued by the Company (Series 004) on 1 February 2019 held by Mr Loh Kim Kang David, at the interest rate of 5.5% per annum, of which S\$500,000 were disposed of in March 2020 and the remaining S\$500,000 were entirely disposed of in October 2020 pursuant to an exchange offer exercise S\$21,473
 - Interest paid to Mr Loh Kim Kang David in respect of an aggregate principal amount of S\$500,000 of fixed rate notes due 2024 issued by the Company (Series 005) on 12 October 2020 held by Mr Loh Kim Kang David, at the interest rate of 5.75% per annum S\$6,380
 - 20.07.2020: CSL Student Living Benikea KP Ltd – Shareholder loan with interest rate of 5% per annum from COIPL to CSL Benikea (total waiver interest of S\$52,579) S\$1,172,298
 - 01.01.2020: CSL Student Living Benikea KP Ltd – Management fee charged by Dwell Student Living Korea Ltd to CSL Benikea S\$219,581
- (ii) Interest paid to Mr Teo Peng Kwang in respect of an aggregate principal amount of S\$3,000,000 of fixed rate notes due 2022 issued by the Company (Series 004) on 1 February 2019 held by Mr Teo Peng Kwang, at the interest rate of 5.5% per annum, which were entirely disposed of in October 2020 pursuant to an exchange offer exercise. S\$128,835
- Interest paid to Mr Teo Peng Kwang in respect of an aggregate principal amount of S\$3,000,000 of fixed rate notes due 2024 issued by the Company (Series 005) on 12 October 2020 held by Mr Teo Peng Kwang, at the interest rate of 5.75% per annum. S\$38,281

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

CORPORATE GOVERNANCE

DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted an internal code governing dealings in securities by Directors, officers and employees who are likely to be in possession of unpublished price sensitive information of the Company and its subsidiaries. Following its Dual Primary Listing, the Company has updated the code to be in line with the requirements of the HK Listing Rules and HK CG Code on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the HK Listing Rules. During FY2020, the Company has further updated the code to be in line with, amongst others, the amendments to the SGX-ST's Listing Manual and the requirements of the HK Listing Rules. This revised code has been disseminated to all the Directors, officers and employees of the Group as defined in the code.

During the financial year under review, Directors, officers and employees have been informed not to deal in the Company's securities at all times whilst in possession of unpublished price sensitive information and during the following periods commencing:

Publication of Financial Statements/Results

- (a) 30 days immediately preceding the publication date of the Company's half-year financial statements/results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the relevant half-year financial statements/results; and
- (b) 60 days immediately preceding the publication date of the Company's annual financial statements/results or, if shorter, the period from the end of the relevant financial year up to the publication date of the annual financial statements/results.

Publication of Interim Business and/or Operational Updates for First and Third Quarters

- (a) 14 days immediately preceding the publication date of the Company's interim business and/or operational updates for first quarter and third quarter or, if shorter, the period from the end of the relevant quarterly period up to the publication date of the relevant interim business and/or operational updates.

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

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Company's internal code throughout FY2020. Besides, no incident of non-compliance of the Company's internal code by the employees has been noted by the Company.

MATERIAL CONTRACTS

No material contracts were entered between the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder during or at the end of FY2020.

CORPORATE GOVERNANCE FUNCTIONS

The Board performs the corporate governance duties set out in Code Provision D.3.1 of the HK CG Code, which, among other things, are as follows:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

CORPORATE GOVERNANCE

- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance; and
- (e) to review the Company's compliance with the relevant laws and regulations and disclosure in the Corporate Governance Report.

CHANGES IN THE COMPANY'S CONSTITUTIONAL DOCUMENTS

During FY2020, there was no change in the Constitution of the Company. The Constitution of the Company is available on the websites of the SGX-ST, the SEHK and the website 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 FY2020.

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.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 110 to 113.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 and the balance sheet of the Company as at 31 December 2020.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 114 to 223 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

PRINCIPAL ACTIVITIES

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

The principal activities of its subsidiaries, associated companies and a joint venture are set out in Notes 21, 19 and 20 to the consolidated financial statements, respectively.

OPERATIONS AND FINANCIAL REVIEW

Details of the operations review, the financial review and the market outlook of the Group are set out in the annual report under section entitled "Operations Review" on pages 38 to 40 of the annual report, the section entitled "Financial Review" on pages 32 to 34 of the annual report and the section entitled "Market Outlook" on pages 41 to 43 of the annual report, respectively. A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 224 of the annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated financial statements on pages 114 to 115 of the annual report.

No interim dividend (2019: 1.0 Singapore cent per ordinary share) was declared during the financial year.

No final dividend (2019: 1.0 Singapore cent per ordinary share) has been recommended by the Board in respect of the financial year ended 31 December 2020 as the Company would like to conserve its cash resources in view of the unprecedented economic condition and uncertainty amidst the COVID-19 pandemic.

PRINCIPAL PROPERTIES

Details of the principal properties held for sale and for investment purposes are set out in Notes 17 and 22 to the consolidated financial statements, respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in Note 23 to the consolidated financial statements.

DEBENTURES ISSUED

Details of the debentures issued by the Company are set out in Note 28(b) to the consolidated financial statements.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2020 are set out in Note 28 to the consolidated financial statements.

SHARE CAPITAL AND TREASURY SHARES

Details of the movements in share capital and treasury shares of the Company during the year are set out in Note 32 to the consolidated financial statements. There were no movements in the Company's issued share capital during the year and the Company does not hold any treasury shares.

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

There was no purchase, sale or redemption of listed securities of the Company during the financial year ended 31 December 2020 except for S\$55,000,000 fixed rate notes due 2024 (the "Series 005 Notes") were issued by the Company on 12 October 2020 and listed in the Bonds Market of the SGX-ST on 13 October 2020, comprising:

- (i) S\$45,250,000 Series 005 Notes in exchange for S\$45,250,000 fixed rate notes due 2022 (the "Series 004 Notes"), which were cancelled on 12 October 2020 pursuant to the exchange offer exercise; and
- (ii) S\$9,750,000 additional Series 005 Notes.

On 15 October 2020, S\$2,500,000 Series 004 Notes were cancelled pursuant to a conditional tender offer exercise. Following the cancellation of such Series 004 Notes, the aggregate outstanding principal amount of the Series 004 Notes was S\$12,250,000.

On 1 February 2021, the Company has fully redeemed the remaining Series 004 Notes of S\$12,250,000 at 100 per cent of the said principal amount together with the interest accrued thereof.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Constitution or the laws of the Republic of Singapore applicable to Singapore companies generally which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the retained profits of the Group are distributable except for the accumulated retained profits of associated companies and a joint venture amounting to S\$73,927,000 (2019: S\$71,274,000) which are included in the Group's retained profits.

Movement in the distributable reserves of the Company as at 31 December 2020 are set out in Note 34 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

None of the directors, their associates or any shareholder (which to the knowledge of the directors own more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

DONATIONS

Charitable and other donations made by the Group during the year amounted to S\$156,000 (2019: S\$228,000).

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders of the Company by reason of their holdings of the Company's shares.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Executive Directors

Loh Kim Kang David (Joint Chairman and re-designated from Non-Executive Director to Executive Director on 1 March 2021)

Wong Kok Hoe (Deputy Chairman)

Teo Peng Kwang

Non-Executive Director

Han Seng Juan (Joint Chairman)

Independent Non-Executive Directors

Gn Hiang Meng (Lead Independent Director)

Chandra Mohan s/o Rethnam

Lee Wei Loon

Owi Kek Hean

Tan Poh Hong

INDEPENDENCE CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 210(5)(d) of the Listing Manual of SGX-ST, 2018 Code and Rule 3.13 of the HK Listing Rules. The Company considers all of the independent non-executive directors as independent.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management of the Company are set out in the annual report under the section entitled "Board of Directors" on pages 8 to 12 and section entitled "Senior Management" on pages 13 to 15, respectively.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Board has the general power of determining the Directors' fees, subject to approval by the shareholders of the Company at the Annual General Meeting each year.

The remuneration and other emoluments are determined by the Board, at the recommendation of the Remuneration Committee, with reference to the duties, responsibilities and performance of the Directors and the results of the Group, as appropriate. Details of the remuneration of the Directors are set out in Note 9(b) to the consolidated financial statements.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTIONS

The Company has no share option scheme as at the date of this statement.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

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 at the end of the financial year 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 31.12.2020	At 1.1.2020 or date of appointment, if later	At 31.12.2020	At 1.1.2020 or date of appointment, if later
Centurion Corporation Limited				
(No. of ordinary shares)				
Gn Hiang Meng	–	–	247,500	247,500
Loh Kim Kang David ⁽ⁱ⁾	37,986,350	33,536,950	425,956,126	445,956,126
Han Seng Juan	33,877,600	29,727,300	433,703,626	453,703,626
Wong Kok Hoe	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 31 December 2020, 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 2020: Direct interest in the Fixed Rate Notes due 2022 issued by the Company on 1 February 2019 ("Fixed Rate Notes due 2022") for an aggregate principal amount of S\$1,000,000, S\$500,000 of which were disposed of in March 2020 via market transactions and the remaining S\$500,000 Fixed Rate Notes due 2022 were disposed of in October 2020 pursuant to an exchange offer exercise).

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

- (ii) As at 31 December 2020, 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 2020: Direct interest in the Fixed Rate Notes due 2022 for an aggregate principal amount of S\$3,000,000, which were entirely disposed of in October 2020 pursuant to an exchange offer exercise).
- (iii) As at 31 December 2020, 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 2020: Direct interest in the Fixed Rate Notes due 2022 for an aggregate principal amount of S\$1,000,000, these notes together with the S\$500,000 Fixed Rate Notes due 2022 acquired in April 2020 were entirely disposed of in October 2020 pursuant to an exchange offer exercise).

- (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.
- (c) The directors' and CEO's interests in the ordinary shares of the Company (the "Shares") as at 21 January 2021 were the same as those as at 31 December 2020.

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

As at 31 December 2020, 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 of 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 Interest of spouse	425,756,126 ^{(L)(3)} 200,000 ^{(L)(5)}	50.64 0.02	463,942,476 ^{(L)(10)}	55.18
Han Seng Juan	Beneficial owner	33,877,600 ^{(L)(7)}	4.03	Interest of controlled corporation Interest of spouse	425,756,126 ^{(L)(6)} 7,947,500 ^{(L)(8)}	50.64 0.94	467,581,226 ^{(L)(11)}	55.61
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 31 December 2020.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

- (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.
- (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 425,000,000 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 425,000,000 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).

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 based on the aggregate principal amount of S\$55,000,000.

Save as disclosed above, as at 31 December 2020, 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.

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

As at 31 December 2020, as far as the Directors are aware, the persons or entities (other than a Director or chief executive 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 31 December 2020.

(2) Of the 425,756,126 Shares held by Centurion Properties, 310,000,000 Shares are registered in the name of DB Nominees (Singapore) Pte Ltd, 115,000,000 Shares are registered in the name of UOB Kay Hian Private Limited and 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).

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Save as disclosed above, as at 31 December 2020, there is no person or entity (other than a Director or chief executive 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Other than those disclosed above and under "Interested Person Transactions" on page 97 of the annual report, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, either direct or indirect, subsisted at the end of the year or at any time during the year.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Our Group continuously endeavours to promote environmental and social responsibility to employees and contribute to the community. Our Group is always in compliance with all the relevant laws and regulations and recognises that creating sustainable value for all of our stakeholders remains at the core of our business. We are committed to strike a balance between achieving our business goals, meeting the needs of our stakeholders and actively minimising our environmental footprint and any negative impact. We understand that by monitoring and evaluating our economic, environmental and social efforts moving on, the Group acts responsibly in the best interest of our shareholders and gains competitive advantage in the long term.

Details of the environment and social responsibility are set out in the section entitled "Sustainability Report" in this annual report.

CONNECTED TRANSACTIONS

Details of the connected transactions are set out on page 97 under "Interested Person Transactions" in the section entitled "Corporate Governance" in this annual report. During the year ended 31 December 2020, the Group had not entered into any connected transaction or continuing connected transactions that are not exempted under Chapter 14A of the HK Listing Rules.

DEED OF NON-COMPETITION

The Company has received the written confirmations from Mr Loh and Mr Han in respect of the compliance with the provisions of the deed of non-competition ("Deed of Non-competition"), entered into between the Controlling Shareholders and the Company.

The independent non-executive directors had reviewed and confirmed that the Controlling Shareholders have complied with the Deed of Non-competition and the Deed of Non-competition has been enforced by the Company in accordance with its terms during the year and up to the date of this annual report.

EQUITY-LINKED AGREEMENT

No equity-linked agreement which may result in the Company issuing shares was entered into or existed during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed minimum percentage of public float during the year ended 31 December 2020 and up to the date of this annual report as required by the Listing Manual of the SGX-ST and HK Listing Rules.

Details of the shareholdings in public hands are set out on page 226 under "Percentage of Shareholding in Public's Hands" in the section entitled "Statistics of Shareholdings" in this annual report.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

PERMITTED INDEMNITY PROVISIONS

Under the Constitution of the Company, every director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of his/her duties in his/her office. The Company has arranged appropriate insurance cover in respect of legal action against its directors and officers.

RELATED PARTY TRANSACTIONS

Our Group entered into certain related party transactions with its related parties during the financial year ended 31 December 2020.

Details of the related party transactions are set out in Note 38 to the consolidated financial statements. Except as disclosed above, none of the related party transactions constitute a connected transaction or continuing connected transaction under the HK Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance are set out in the section entitled "Corporate Governance" in this annual report.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2020, none of the directors and directors of the Company's subsidiaries, or their respective associates, had interests in businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, which compete or are likely to compete, either directly or indirectly with the business of the Company and its subsidiaries as required to be disclosed pursuant to the HK Listing Rules.

CHANGES OF INFORMATION OF DIRECTORS

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

- (a) Mr Loh Kim Kang David was re-designated from non-executive Director to executive Director of the Company with effect from 1 March 2021. Please refer to the announcement of the Company dated 26 February 2021 for more details.
- (b) Mr Gn Hiang Meng has resigned as an independent non-executive director of TEE International Limited (stock code: M1Z.SI) with effect from 21 January 2021.
- (c) Ms Tan Poh Hong has been appointed as (i) an Adjunct Associate Professor of National University of Singapore since 1 July 2020; and (ii) an independent director of APAC Realty Limited, the shares of which is listed on the Mainboard of SGX-ST (stock code: CLN), with effect from 1 October 2020.
- (d) Mr Lee Wei Loon has resigned as a director of Novena Global Healthcare Group with effect from 23 October 2020.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

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

All members of the Audit Committee were independent non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act (Chapter 50) of Singapore, Listing Manual of SGX-ST and 2018 Code. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2020 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Further details regarding the Audit Committee are provided in the section entitled "Corporate Governance" in this annual report.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment. There is no change in the Company's auditors in the preceding three years.

On behalf of the directors

Wong Kok Hoe
Director

Loh Kim Kang David
Director

17 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Centurion Corporation Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Separate opinion in relation to International Financial Reporting Standards

As explained in Note 2.1 to the financial statements, the Group and the Company, in addition to applying SFRS(I)s, have also applied International Financial Reporting Standards ("IFRSs"). In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows for the financial year then ended in accordance with IFRSs.

What we have audited

The financial statements of the Group and the Company comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2020;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2020;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of investment properties</p> <p>As at 31 December 2020, the carrying value of the Group's investment properties of \$1,307,770,000 accounted for 85% of the Group's total assets (Note 22).</p> <p>In addition, the investment properties held by the Group's associated companies and joint venture affect the carrying value of the Group's investments in associated companies and joint venture (Note 19 and Note 20).</p> <p>The valuation of investment properties was a key audit matter due to the significant judgement in determining the 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.</p> <p>The key inputs are disclosed in Note 3 and Note 22 to the accompanying financial statements.</p> <p>Furthermore, the valuation reports obtained from independent property valuers for the investment properties have highlighted the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak. Accordingly, the valuation of these investment properties may be subjected to more fluctuation subsequent to 31 December 2020 than during normal market conditions.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties; discussed the key inputs used by the external valuers in the valuation; tested the reliability of information, including underlying lease and financial information provided to the external valuers; and assessed the reasonableness of the discount rate, rental rate, market value of comparable property, capitalisation rate, cost to complete and cost per square metre by benchmarking these against prior year inputs and those of comparable properties based on information available as at 31 December 2020. <p>We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the key inputs used were within the range of market data.</p> <p>We have also assessed the adequacy of the disclosures relating to the key inputs and the impact of COVID-19 on the valuation of investment properties, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Chin San.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 17 March 2021

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Revenue	4	128,355	133,353
Cost of sales	5	(38,756)	(36,417)
Gross profit		89,599	96,936
Other income*	6	8,948	1,244
Other losses – net			
– Loss on derecognition of financial assets	7	(3,589)	–
– Allowance for impairment of trade and other receivables*	7	(1,300)	(177)
– Others	7	697	(217)
Net fair value (losses)/gains on investment properties and assets held for sale	17, 22	(27,641)	66,266
Expenses			
– Distribution expenses	5	(1,284)	(1,462)
– Administrative expenses*	5	(21,186)	(23,619)
– Finance expenses	8	(23,319)	(28,759)
Share of profit of associated companies and joint venture	19, 20	4,819	789
Profit before income tax		25,744	111,001
Income tax expense	10(a)	(7,033)	(7,213)
Total profit		18,711	103,788
Profit attributable to:			
Equity holders of the Company		17,171	99,951
Non-controlling interests		1,540	3,837
		18,711	103,788
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	11(a)	2.04	11.89
Diluted earnings per share	11(b)	2.04	11.89

* Certain balances have been reclassified for presentation purpose. Accordingly, the comparatives have been restated for consistency. Refer to Note 6 and Note 7 for details of reclassification.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Total profit		18,711	103,788
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Financial assets, at FVOCI – debt instruments			
– Fair value (losses)/gains	33(b)(i)	(600)	386
– Reclassification	33(b)(i)	77	171
Cash flow hedges			
– Fair value losses	33(b)(ii)	(6,779)	(1,782)
– Reclassification	33(b)(ii)	1,762	144
Share of other comprehensive loss of associated companies and joint venture	19, 20	(217)	(602)
Currency translation gains arising from consolidation		10,376	3,288
Other comprehensive income, net of tax		4,619	1,605
Total comprehensive income		23,330	105,393
Total comprehensive income attributable to:			
Equity holders of the Company		21,815	101,557
Non-controlling interests		1,515	3,836
		23,330	105,393

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2020

		Group		Company	
	Note	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ASSETS					
Current assets					
Cash and bank balances	12	83,868	48,588	28,247	14,903
Trade and other receivables	13	11,687	8,060	16,714	21,229
Inventories	14	65	44	–	–
Other assets	15	5,307	6,748	150	236
Financial assets, at fair value through other comprehensive income	16	6,779	9,165	6,779	9,165
		107,706	72,605	51,890	45,533
Assets held for sale	17	1,292	5,447	–	–
		108,998	78,052	51,890	45,533
Non-current assets					
Trade and other receivables	13	–	–	372,677	372,329
Other assets	15	1,022	994	130	130
Financial assets, at fair value through profit or loss	18	24	156	–	–
Investments in associated companies	19	111,462	108,918	1,298	1,298
Investment in a joint venture	20	4,758	4,819	–	–
Investments in subsidiaries	21	–	–	16,697	16,645
Investment properties	22	1,307,770	1,275,879	–	–
Property, plant and equipment	23	7,678	10,149	1,117	1,631
		1,432,714	1,400,915	391,919	392,033
Total assets		1,541,712	1,478,967	443,809	437,566
LIABILITIES					
Current liabilities					
Trade and other payables	26	37,154	40,496	11,549	11,655
Other liabilities	27	52	–	–	–
Current income tax liabilities	10	9,657	7,092	753	896
Derivative financial instruments	30	165	–	165	–
Borrowings	28	71,788	55,780	39,850	6,280
Lease liabilities	29	10,282	6,738	495	478
		129,098	110,106	52,812	19,309
Non-current liabilities					
Derivative financial instruments	30	6,490	1,638	351	276
Other liabilities	27	490	131	–	–
Deferred income tax liabilities	31	9,168	9,796	83	81
Borrowings	28	682,878	683,259	111,022	135,428
Lease liabilities	29	84,803	60,172	426	921
		783,829	754,996	111,882	136,706
Total liabilities		912,927	865,102	164,694	156,015
NET ASSETS		628,785	613,865	279,115	281,551
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	32	142,242	142,242	253,553	253,553
Other reserves	33	(26,488)	(31,132)	(1,188)	(425)
Retained profits	34	489,842	481,081	26,750	28,423
		605,596	592,191	279,115	281,551
Non-controlling interests		23,189	21,674	–	–
Total equity		628,785	613,865	279,115	281,551

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Attributable to equity holders of the Company			Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Other reserves \$'000	Retained profits \$'000		
2020						
Beginning of financial year		142,242	(31,132)	481,081	21,674	613,865
Profit for the year		–	–	17,171	1,540	18,711
Other comprehensive income/(loss) for the year		–	4,644	–	(25)	4,619
Total comprehensive income for the year		–	4,644	17,171	1,515	23,330
Dividends relating to 2019 paid	35	–	–	(8,410)	–	(8,410)
Total transactions with owners, recognised directly in equity		–	–	(8,410)	–	(8,410)
End of financial year		142,242	(26,488)	489,842	23,189	628,785
2019						
Beginning of financial year		142,242	(32,536)	397,946	17,636	525,288
Profit for the year		–	–	99,951	3,837	103,788
Other comprehensive income/(loss) for the year		–	1,606	–	(1)	1,605
Total comprehensive income for the year		–	1,606	99,951	3,836	105,393
Dividends relating to 2018 paid	35	–	–	(8,408)	–	(8,408)
Dividends relating to 2019 paid	35	–	–	(8,408)	–	(8,408)
Acquisition of additional shares in a subsidiary from non-controlling interest		–	(202)	–	202	–
Total transactions with owners, recognised directly in equity		–	(202)	(16,816)	202	(16,816)
End of financial year		142,242	(31,132)	481,081	21,674	613,865

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Total profit		18,711	103,788
Adjustments for:			
– Income tax expense	10(a)	7,033	7,213
– Depreciation	5	3,313	3,113
– Impairment of plant and equipment	7	508	–
– Allowance for impairment of trade and other receivables	7	1,300	177
– Net loss on disposal of plant and equipment	7	9	68
– Loss on disposal of assets held for sale	7	97	–
– Gain on disposal of a subsidiary	7	(1,398)	(142)
– Net fair value losses/(gains) on investment properties and assets held for sale	22	27,641	(66,266)
– Interest income	6	(875)	(1,137)
– Finance expenses	8	23,319	28,759
– Share of profit of associated companies and joint venture	19,20	(4,819)	(789)
– Loss on disposal of financial assets, at FVOCI	7	77	171
– Fair value loss on financial assets at fair value through profit or loss	7	132	230
– Unrealised currency translation differences		144	167
Operating cash flow before working capital changes		75,192	75,352
Change in working capital, net of effects from disposal of subsidiary:			
– Inventories		(21)	43
– Trade and other receivables		(4,232)	3,538
– Other assets		(2,025)	(124)
– Trade and other payables		(3,402)	(1,523)
Cash generated from operations		65,512	77,286
Income tax paid	10(b)	(5,032)	(7,039)
Net cash provided by operating activities		60,480	70,247
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		79	101
Additions to investment properties		(11,377)	(37,208)
Purchases of property, plant and equipment		(1,334)	(3,693)
Interest received		866	1,207
Dividends received from associated companies	19	2,166	7,817
Short-term bank deposits released/(charged) as security to bank		1,255	(289)
Deposits refunded/(paid) for acquisition of investment property		3,575	(2,219)
Purchase of financial assets, at FVOCI	16	(2,250)	–
Proceeds from disposal of financial assets, at FVOCI	16	4,000	500
Proceeds from disposal of assets held for sale		3,284	–
Disposal of a subsidiary, net of cash disposed of	21	5,828	–
Net cash provided by/(used in) investing activities		6,092	(33,784)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from financing activities			
Proceeds from borrowings		52,360	78,917
Loan from non-controlling interests		103	628
Repayment of loan from associated company		–	(861)
Repayment of borrowings		(42,241)	(81,755)
Interest paid on borrowings		(21,029)	(26,202)
Interest paid on lease liabilities		(2,440)	(1,609)
Repayment of principal portion of lease liabilities		(7,457)	(4,322)
Dividends paid to equity holders of the company	35	(8,410)	(16,816)
Net cash used in financing activities		(29,114)	(52,020)
Net increase/(decrease) in cash and cash equivalents held		37,458	(15,557)
Cash and cash equivalents			
Beginning of financial year		46,378	61,358
Effects of currency translation on cash and cash equivalents		32	577
End of financial year	12	83,868	46,378

Please refer to reconciliation of liabilities arising from financing activities in Note 12.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

1. GENERAL INFORMATION

Centurion Corporation Limited (the “Company”) is incorporated and domiciled in Singapore and is dual listed on both the Main Board of the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong. 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 principal activities of its subsidiaries, associated companies and joint venture are set out in Notes 21, 19 and 20 respectively.

The financial statements are presented in thousands of Singapore Dollars (\$'000) unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) and International Financial Reporting Standards (“IFRS”). All references to SFRS(I) and IFRS are referred to collectively as “IFRS” in these financial statements, unless specified otherwise. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

As at 31 December 2020, the Group and the Company are in net current liability position of \$20,100,000 and \$922,000 respectively. These financial statements are prepared on a going concern basis as the Group expects to generate sufficient operating cash flows to enable the Group to pay its debts as and when they fall due within the next twelve months from balance sheet date. In addition, the Group and the Company have unutilised committed credit facilities of \$112,813,000 and \$9,500,000 respectively (of which \$67,377,000 and \$9,500,000 relates to unutilised committed credit facilities expiring more than 12 months after balance sheet date), which are available for meeting any short-term liabilities and unanticipated fund requirements, if needed.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group’s significant operations are in Singapore, Malaysia, Australia, the United Kingdom and the United States of America, all of which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Group’s financial performance reflected in this set of financial statements for the financial year ended 31 December 2020:

- i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Impact of COVID-19 (Continued)

- ii. In 2020, border closures and shift from physical lessons to remote learning arrangements by universities have resulted in periods where the Group's student accommodation businesses were negatively impacted, resulting in a negative impact on the Group's financial performance for 2020.
- iii. In 2020, the Group has received rental rebates for its leased properties and also provided rental concessions to certain tenants. The effects of such rental concessions received/provided are disclosed in Notes 6 and 7 respectively.
- iv. The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2020. The significant estimates and judgement applied on valuation of investment properties are disclosed in Notes 3 and 22.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write-downs in the subsequent financial periods.

Interpretations and amendments to published standards effective in 2020

On 1 January 2020, the Group adopted the new or amended IFRS and Interpretations of IFRS ("INT IFRS") that are mandatory for application for the year as set out below. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and INT IFRS.

The adoption of these new or amended IFRS and INT IFRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior years, except as follows.

Interest rate benchmark reform

Following the global financial crisis, the reform and replacement of benchmark interest rates such as Swap Offer Rate ("SOR") and other inter-bank offered rates ('IBORs') has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes.

To transition existing contracts and agreements that reference SOR to Singapore Overnight Rate Average ("SORA"), adjustments for term differences and credit differences might need to be applied to SORA, to enable the two benchmark rates to be economically equivalent on transition.

In accordance with the transition provisions, the Group has adopted the amendments to IFRS 9 and IFRS 7 effective 1 January 2020 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Interpretations and amendments to published standards effective in 2020 (Continued)

Interest rate benchmark reform (Continued)

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate (IBOR) reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from interest rate benchmark reform are no longer present.

The Group is managing the SOR transition plan. The greatest change will be amendments to the contractual terms of the SOR-referenced floating-rate debt and the associated swap and the corresponding update of the hedge designation. However, the changed reference rate may also affect other systems, processes, risk and valuation models, as well as having tax and accounting implications.

Relief applied

The Group has applied the following reliefs that were introduced by the amendments made to IFRS 9 Financial Instruments:

- When considering the 'highly probable' requirement, the Group has assumed that the SOR interest rate on which the Group's hedged debt is based does not change as a result of IBOR reform; and
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the SOR interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve as a result of the IBOR reform which is expected to take effect in future.

Assumptions made

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Group has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to SORA during 2022 and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument; and
- No other changes to the terms of the floating-rate debt are anticipated.

No changes were required to any of the amounts recognised in the current or prior financial year as a result of these amendments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Early adoption of amendments to IFRS 16 Leases

The Group has elected to early adopt the amendments to IFRS 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- 1) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- 2) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- 3) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of \$332,000 (Note 5) was recognised as negative variable lease payments (i.e. reduction in the rental expenses) in the profit or loss during the financial year.

2.3 Revenue recognition

(a) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term. Refer to Note 2.19(ii) for accounting policy on rental income.

(b) Other revenue from accommodation business

Other revenue incidental to provision of accommodation services are recognised when control of the product or service is transferred to the customer. Transfer of control occurs when the customers have accepted the products or services in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as payments are due immediately, which is consistent with market practice and a receivable (financial asset) is recognised when control of the product or service is transferred as this is the point in time that the consideration is unconditional.

(c) Sale of goods

The Group manufactures and sells optical storage media. Sales are recognised when control of the products are delivered to its customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit terms of 30 to 60 days, which is consistent with market practice. A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

The Group does not operate any customer loyalty programme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (Continued)

(d) Rendering of management services

Revenue from rendering of services is recognised over time upon the performance of the services or in accordance with the terms of the service contracts. Revenue represents management fees earned on property management and management of property real estate investments.

(e) Interest income

Interest income, including income arising from finance leases and other financial instruments is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(a) Subsidiaries (Continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy for goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments.

When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(c) Associated companies and joint ventures (Continued)

(ii) Equity method of accounting (Continued)

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.5 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

2.6 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (Continued)

(b) Depreciation

Freehold land and capital work-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Building on freehold land	50 years
Leased office space and leasehold improvements	3 – 10 years
Plant, machinery and equipment	2 – 10 years
Renovation, furniture and fittings	4 – 10 years
Motor vehicles	4 – 5 years
Office equipment and computers	3 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other losses – net".

2.7 Investment properties

Investment properties include properties and right-of-use assets relating to leasehold land and properties that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the costs of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investment properties (Continued)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.8 Intangible assets

Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.10 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets

Property, plant and equipment

Right-of-use assets

Investments in subsidiaries, associated companies and joint ventures

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.12 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (Continued)

(a) Classification and measurement (Continued)

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables, and listed debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other losses – net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Interest income".

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other losses – net", except where the Group has elected to classify the investments as FVOCI. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains and losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "Dividend income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (Continued)

(b) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

(c) Recognition and derecognition

Regular way of purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.13 Derivatives financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Derivatives financial instruments and hedging activities (Continued)

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under IFRS 9.

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 30. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The following hedges in place qualified as cash flow hedges under IFRS 9. The Group's management strategies and hedge documentation are aligned with the requirements of IFRS 9 and are thus treated as continuing hedges.

Interest rate swaps

The Group has entered into interest rate swaps that are designated as cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in "Finance expense". The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

2.14 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries, associated companies and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries, associated companies or joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of IFRS 15; and
- (b) the amount of expected loss computed using the impairment methodology under IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.18 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.19 Leases

(i) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Right-of-use assets*

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

(i) When the Group is the lessee: (Continued)

- *Right-of-use assets (Continued)*

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

Right-of-use asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.7.

- *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

(i) When the Group is the lessee: (Continued)

- *Lease liabilities (Continued)*

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- *Short term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- *Variable lease payments*

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(ii) When the Group is the lessor:

The Group subleases its leased premises under operating leases to non-related parties. The Group also leases its investment properties under operating leases to non-related parties.

- *Lessor – Operating leases*

Leases of investment properties where the Group retains substantially all risk and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

(ii) When the Group is the lessor: (Continued)

- *Lessor – Operating leases (Continued)*

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

- *Lessor – Subleases*

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Revenue". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.20 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.21 Income taxes

Current income tax for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Income taxes (Continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.23 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee compensation (Continued)

(b) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.24 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other losses – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the date of the transactions); and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Currency translation (Continued)

(c) Translation of Group entities' financial statements (Continued)

- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management whose members are responsible for allocating resources and assessing performance of the operating segments.

2.26 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.27 Share capital, treasury shares and share issuance expenses

Proceeds from issuance of ordinary shares are classified as equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

Costs directly attributable to the issuance of new shares are deducted against the share capital.

2.28 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Assets held for sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use, except for investment properties. Investment properties classified as assets held-for-sale are measured at fair value. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss, except for investment properties classified as held-for-sale which are measured at fair value.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuation of investment properties

As at 31 December 2020, the carrying value of the Group's investment properties of \$1,307,770,000 (2019: \$1,275,879,000) accounted for 85% (2019: 86%) of the Group's total assets. The Group, with reliance on independent professional valuers, 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 determining the 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 key unobservable inputs used to determine the fair value of the investment properties are disclosed in Note 22.

In addition, the investment properties held by the Group's associated companies and joint venture affect the carrying value of the Group's investment in associated companies and joint venture. As at 31 December 2020, the carrying value of the Group's investment in associated companies and joint venture accounted for using the equity method of accounting amounted to \$111,462,000 (2019: \$108,918,000) (Note 19) and \$4,758,000 (2019: \$4,819,000) (Note 20) respectively, and are affected by the significant estimates and assumptions in the determination of the fair value of its investment properties held by the associated companies (Note 19) and joint venture (Note 20). The independent professional valuers have derived the fair value of these investment properties using income capitalisation method and the key unobservable inputs used in the valuation are the rental rate and capitalisation rate. The sensitivity of the changes in fair values of the investment properties to the carrying value of the associated companies and joint venture are disclosed in Note 19 and Note 20 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. REVENUE

	Group	
	2020 \$'000	2019 \$'000
Rental income from investment properties (Note 22)	117,331	124,940
Revenue from contracts with customers (IFRS 15)		
Other revenue from accommodation business	5,135	5,080
Sale of optical storage media	958	1,177
Management services	4,931	2,156
	11,024	8,413
	128,355	133,353

Revenue from sale of optical storage media and other revenue from accommodation business are recognised at a point in time.

Revenue from management services is recognised over time.

5. COST OF SALES AND EXPENSES

	Group	
	2020 \$'000	2019 \$'000
Purchase of raw materials and consumables	431	234
Changes in inventories	(21)	44
Depreciation of property, plant and equipment (Note 23)	3,313	3,113
Property tax	4,919	4,977
Employee compensation (Note 9)	23,546	21,214
Rental expense ^(a)	742	2,534
Utilities	7,116	7,933
Repairs and maintenance	2,737	4,030
Insurance	917	703
Security and card system expenses	3,107	1,969
Legal and professional fees	2,895	2,803
Transportation expenses	391	1,279
Advertising and promotion expenses	910	1,517
Fees on audit services paid/payable to:		
– auditor of the Company	338	347
– other member firms of PricewaterhouseCoopers International Limited	194	141
– other auditors	48	55
Fees on non-audit services paid/payable to:		
– auditor of the Company	95	76
– other member firms of PricewaterhouseCoopers International Limited	26	663
Others	9,522	7,866
Total cost of sales, distribution and administrative expenses	61,226	61,498

(a) Included within rental expense are COVID-19 related rent concessions received from lessors of \$332,000 to which the Group applied the practical expedient as disclosed in Note 2.2.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. OTHER INCOME

	Group	
	2020 \$'000	2019 \$'000
Interest income		
– Financial assets measured at amortised cost	383	645
– Debt investments measured at FVOCI	492	492
	875	1,137
Government grant income ^{(a), (c)}	8,941	107
Less: Government grant expense – rent concessions ^(b)	(1,119)	–
	7,822	107
Others	251	–
	8,948	1,244

(a) Included in government grant income are grants which the Group has received amounting to \$8,834,000 (2019: \$nil) from the local governments where the Group operates, as part of the relief measures to help businesses deal with the impact from COVID-19. The government grant income mainly includes:

- (i) Property tax rebates, rental relief and cash grant amounting to \$5,813,000 to help businesses deal with the impact from COVID-19.
- (ii) Grant income of \$2,607,000 was recognised during the financial year under the various governments' Jobs Support, Job Keeper and Job Retention Schemes. These are temporary schemes to help enterprises retain jobs.

(b) Government grant expense relates to the property tax rebates received that were transferred to tenants in the form of rent rebates during the financial year and rental waivers provided to eligible tenants as part of the qualifying conditions of the cash grant.

The Group has passed on \$1,119,000 as part of its obligations to pass on the benefits of property tax rebates to its tenants and its obligations to waive up to two months of rental to eligible tenants (Note 6(b)).

In addition to the rent concessions, the Group has voluntarily waived an additional \$3,589,000 contractually past due rent to assist tenants whose operations were adversely impacted by COVID-19. This is presented as "loss on derecognition of financial assets" (Note 7(a)).

The total rent concessions and waivers amounted to \$4,708,000.

(c) For the current financial year, "Government grant income" has been presented within "Other income" instead of "Other losses – net" (Note 7). Accordingly, the comparatives have been restated for consistency purpose.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. OTHER LOSSES – NET

	Group	
	2020 \$'000	2019 \$'000
Currency exchange gain/(loss) – net	122	(38)
Loss on derecognition of financial assets ^(a)	(3,589)	–
Net loss on disposal of plant and equipment	(9)	(68)
Loss on disposal of assets held for sale	(97)	–
Gain on disposal of a subsidiary (Note 21(c))	1,398	142
Financial assets at FVOCI		
– reclassification from other comprehensive income on disposal (Note 33(b)(i))	(77)	(171)
Fair value loss on financial assets at fair value through profit or loss (Note 18)	(132)	(230)
Impairment loss of plant and equipment (Note 23)	(508)	–
Allowance for impairment of trade and other receivables ^(b)	(1,300)	(177)
Others	–	148
	(4,192)	(394)

- (a) During the financial year, the Group voluntarily waived \$3,589,000 of contractually past due rent, resulting in a derecognition of operating lease receivables to assist tenants whose operations were adversely impacted by the COVID-19 pandemic.
- (b) For the current financial year, “Allowance for impairment of trade and other receivables” has been presented within “Other losses – net” instead of “Administrative expenses” (Note 5). Accordingly, the comparatives have been restated for consistency purpose.

8. FINANCE EXPENSES

	Group	
	2020 \$'000	2019 \$'000
Interest expense:		
– bank borrowings and notes payables	18,173	25,721
– lease liabilities	2,440	1,609
– associated company	826	1,416
– non-controlling interest	124	215
Cash flow hedges, reclassified from hedging reserve (Note 33(b)(ii))	1,762	144
Less: Borrowing costs capitalised in investment properties	(6)	(346)
Finance expenses recognised in profit or loss	23,319	28,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS

(a) Employee benefit expenses during the years are as follows:

	Group	
	2020 \$'000	2019 \$'000
Wages, salaries and other benefits	21,653	19,473
Employer's contribution to defined contribution plans, including Central Provident Fund	1,893	1,741
Total employee compensation (Note 5)	23,546	21,214

(b) Directors' and chief executive officer's remunerations

The remuneration of every director and the chief executive officer for the year ended 31 December 2020 is set out below:

Name of director	Fees \$'000	Salaries, allowances and benefits in kind \$'000	Discretionary bonuses \$'000	Employer's contribution to defined contribution plans \$'000	Other benefits \$'000	Total \$'000
<i>Executive directors</i>						
Wong Kok Hoe	9	429	315	13	16	782
Teo Peng Kwang	9	361	309	10	14	703
	18	790	624	23	30	1,485
<i>Non-executive directors</i>						
Han Seng Juan	58	–	–	–	–	58
Loh Kim Kang David	58	–	–	–	–	58
	116	–	–	–	–	116
<i>Independent non-executive directors</i>						
Chandra Mohan s/o Rethnam	73	–	–	–	–	73
Gn Hiang Meng	92	–	–	–	–	92
Owi Kek Hean	70	–	–	–	–	70
Tan Poh Hong	55	–	–	–	–	55
Lee Wei Loon	48	–	–	–	–	48
	338	–	–	–	–	338
<i>Chief executive officer</i>						
Kong Chee Min	–	398	312	16	15	741
	–	398	312	16	15	741
	472	1,188	936	39	45	2,680

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS (CONTINUED)

(b) Directors' and chief executive officer's remunerations (Continued)

The remuneration of every director and the chief executive officer for the year ended 31 December 2019 is set out below:

Name of director	Fees \$'000	Salaries, allowances and benefits in kind \$'000	Discretionary bonuses \$'000	Employer's contribution to defined contribution plans \$'000	Other benefits \$'000	Total \$'000
<i>Executive directors</i>						
Wong Kok Hoe ⁽ⁱ⁾	85	67	43	2	10	207
Teo Peng Kwang	10	406	472	13	32	933
	95	473	515	15	42	1,140
<i>Non-executive directors</i>						
Han Seng Juan ⁽ⁱⁱ⁾	46	–	–	–	–	46
Loh Kim Kang David ⁽ⁱⁱⁱ⁾	46	–	–	–	–	46
	92	–	–	–	–	92
<i>Independent non-executive directors</i>						
Chandra Mohan s/o Rethnam	81	–	–	–	–	81
Gn Hiang Meng	103	–	–	–	–	103
Owi Kek Hean	78	–	–	–	–	78
Tan Poh Hong	61	–	–	–	–	61
Lee Wei Loon ⁽ⁱⁱⁱ⁾	6	–	–	–	–	6
	329	–	–	–	–	329
<i>Chief executive officer</i>						
Kong Chee Min	–	450	369	17	25	861
	–	450	369	17	25	861
	516	923	884	32	67	2,422

Notes:

- (i) Re-designated from Non-Executive Director to Executive Director and appointed Deputy Chairman of the Board on 13 November 2019. Ceased as Chairman of the Board and a member of the Remuneration Committee on 13 November 2019.
- (ii) Appointed Joint Chairmen of the Board on 13 November 2019.
- (iii) Appointed a Director and a member of the Remuneration Committee on 13 November 2019.

(i) Directors' and chief executive officer's salaries, allowances, discretionary bonuses and other benefits

The executive directors' and chief executive officer's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

The non-executive director's and independent non-executive directors' emoluments shown above were paid for their services as directors of the Company.

The discretionary bonuses are annual performance bonus tied to individual performance as well as the Group's performance, taking into account the strategic objectives of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS (CONTINUED)

(b) Directors' and chief executive officer's remunerations (Continued)

(ii) Directors' retirement benefits

Save as disclosed above, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the current and prior financial years.

(iii) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the current and prior financial years.

(iv) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company during the current and prior financial years.

(v) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the current and prior financial years.

(vi) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the current and prior financial years.

(c) Five highest paid individuals

The five individuals (including one director (2019: one)) whose remunerations were the highest in the Company are reflected in the analysis presented below.

	Group	
	2020 \$'000	2019 \$'000
Wages, salaries and allowances	2,948	3,079
Retirement benefits costs		
– defined contributions plans	87	86
	3,035	3,165

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. EMPLOYEE COMPENSATION – INCLUDING DIRECTORS' REMUNERATIONS (CONTINUED)

(c) Five highest paid individuals (Continued)

The remunerations of above individuals are within the following bands:

Remunerations band	Number of individuals	
	2020	2019
HK\$1,500,001 – HK\$2,000,000	–	–
HK\$2,000,001 – HK\$2,500,000	2	1
HK\$2,500,001 – HK\$3,000,000	–	2
HK\$3,500,001 – HK\$4,000,000	1	–
HK\$4,000,001 – HK\$4,500,000	2	–
HK\$4,500,001 – HK\$5,000,000	–	1
HK\$5,000,001 – HK\$5,500,000	–	1

10. INCOME TAXES

(a) Income tax expense

	Group	
	2020 \$'000	2019 \$'000
Tax expense attributable to the profit is made up of:		
– Profit for the financial year		
Current income tax		
– Singapore	5,802	4,968
– Foreign	1,782	1,297
	7,584	6,265
Deferred income tax (Note 31)	(543)	1,723
	7,041	7,988
– (Over)/under provision in prior financial years		
Current income tax	(193)	(818)
Deferred income tax (Note 31)	185	43
	7,033	7,213

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. INCOME TAXES (CONTINUED)

(a) Income tax expense (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2020 \$'000	2019 \$'000
Profit before tax	25,744	111,001
Share of profit of associated companies and joint venture, net of tax	(4,819)	(789)
Profit before tax and share of profit of associated companies and joint venture	20,925	110,212
Tax calculated at a tax rate of 17% (2019: 17%)	3,557	18,736
Effects of:		
– different tax rates in other countries	945	591
– different tax rates arising on capital gains from investment properties	(1,212)	(269)
– statutory stepped income exemption	(145)	(106)
– expenses not deductible for tax purposes	6,557	3,991
– income not subject to tax	(2,763)	(14,100)
– utilisation of previously unrecognised tax losses	(289)	(497)
– utilisation of previously unrecognised capital allowances	(13)	(1,407)
– unrecognised deferred tax assets	210	743
– over provision of tax in prior years	(8)	(775)
– others	194	306
Tax charge	7,033	7,213

In the previous financial year, management has reassessed the qualifying expenditure on an investment property through a capital allowance maximisation study. Capital allowances of approximately \$7,260,000 pertaining to prior years' capital expenditure were claimed in 2019.

(b) Movements in current income tax liabilities/(recoverable)

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Beginning of financial year	6,413	8,018	896	895
Currency translation differences	69	(13)	–	–
Income tax paid – net	(5,032)	(7,039)	–	–
Tax expense	7,584	6,265	120	153
Over provision in prior financial years	(193)	(818)	(263)	(152)
End of financial year	8,841	6,413	753	896

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. INCOME TAXES (CONTINUED)

(b) Movements in current income tax liabilities/(recoverable) (Continued)

The current income tax account comprises the following:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current income tax recoverable (Included in Other assets – Note 15)	(816)	(679)	–	–
Current income tax liabilities	9,657	7,092	753	896
	8,841	6,413	753	896

(c) There is no tax charge relating to each component of other comprehensive income.

11. 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 year.

	2020	2019
Net profit attributable to equity holders of the Company (\$'000)	17,171	99,951
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,779	840,779
Basic earnings per share (cents)	2.04	11.89

(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 were adjusted for the effects of all dilutive potential ordinary shares.

As at 31 December 2020 and 2019, the basic and diluted earnings per share are the same, as the Company has no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. CASH AND BANK BALANCES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	39,460	23,977	3,173	605
Short-term bank deposits	44,408	24,611	25,074	14,298
	83,868	48,588	28,247	14,903

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

	Group	
	2020 \$'000	2019 \$'000
Cash and bank balances (as above)	83,868	48,588
Less: Short-term bank deposits charged as security to bank	–	(1,255)
Less: Bank overdrafts (Note 28)	–	(955)
Cash and cash equivalents per consolidated statement of cash flows	83,868	46,378

As at 31 December 2020, short-term bank deposits of the Group amounting to \$nil (2019: \$1,255,000) were charged as security to a bank as a guarantee in relation to a bank facility for purchase of an investment property.

The reconciliation of liabilities arising from financing activities as at 31 December 2019 and 31 December 2020 are as follows:

	1 January 2020 \$'000	Cash flows \$'000	Non-cash items \$'000	Interest expense \$'000	Currency translation differences \$'000	31 December 2020 \$'000
Bank borrowings (Note 28)	627,648	3,434	–	16	6,414	637,512
Notes payables (Note 28)	59,578	6,685	–	459	–	66,722
Lease liabilities (Note 29)	66,910	(9,897)	35,453	2,440	179	95,085
Loan from non-controlling interests (Note 28)	7,150	103	–	–	1	7,254
Loan from associated company (Note 28)	42,328	–	–	–	–	42,328
Interest payable (Note 28)	1,380	(3,828)	–	3,298	–	850
Derivative financial instruments (Note 30)	1,638	(1,762)	5,017	1,762	–	6,655
Accrued interest expense	624	(15,439)	–	15,344	–	529
	807,256	(20,704)	40,470	23,319	6,594	856,935

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. CASH AND BANK BALANCES (CONTINUED)

	1 January 2019 \$'000	Cash flows \$'000	Non-cash items \$'000	Interest expense \$'000	Currency translation differences \$'000	31 December 2019 \$'000
Bank borrowings (Note 28)	603,040	22,754	–	16	1,838	627,648
Notes payables (Note 28)	84,712	(25,593)	–	459	–	59,578
Lease liabilities (Note 29)	40,857	(5,931)	30,290	1,609	85	66,910
Loan from non-controlling interests (Note 28)	6,517	628	–	–	5	7,150
Loan from associated company (Note 28)	43,189	(861)	–	–	–	42,328
Interest payable (Note 28)	939	(2,585)	–	3,026	–	1,380
Derivative financial instruments (Note 30)	–	(144)	1,638	144	–	1,638
Accrued interest expense	591	(23,472)	–	23,505	–	624
	779,845	(35,204)	31,928	28,759	1,928	807,256

13. TRADE AND OTHER RECEIVABLES

(a) Current

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables – non-related parties	6,867	4,192	1	28
Less: Allowance for impairment	(1,748)	(883)	–	–
	5,119	3,309	1	28
Receivables from subsidiaries				
– trade	–	–	7,483	10,840
– non-trade	–	–	8,812	10,089
Receivables from associated companies				
– trade	490	1,252	–	–
– non-trade	1,588	1,695	8	18
	2,078	2,947	16,303	20,947
Less: Allowance for impairment	–	–	–	(78)
	2,078	2,947	16,303	20,869
Other receivables ^(a)	3,385	1,804	208	211
Government grant receivable	1,105	–	77	–
Finance lease receivables	–	–	125	121
	11,687	8,060	16,714	21,229

(a) Included within other receivables is the remaining proceeds to be received from the custodian account for the disposal of asset held for sale amounting to \$755,000 (2019: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Current (Continued)

The non-trade receivables from subsidiaries and associated companies are unsecured, interest-free and repayable on demand.

The majority of the Group's sales are on cash terms. The remaining amounts are with credit terms of 30 to 60 days. At 31 December 2019 and 2020, the ageing analysis of the trade receivables based on invoice date is as follows:

	Group	
	2020 \$'000	2019 \$'000
Up to 3 months	5,164	3,057
3 to 6 months	1,104	446
Over 6 months	599	689
	6,867	4,192

(b) Non-current

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Loans to subsidiaries	–	–	378,388	381,762
Less: Allowance for impairment	–	–	(5,819)	(9,666)
	–	–	372,569	372,096
Finance lease receivables	–	–	108	233
	–	–	372,677	372,329

The loans to subsidiaries are unsecured with no fixed terms of repayment and are not expected to be repaid within the next twelve months. Included in the loans to subsidiaries is an amount of \$79,040,000 (2019: \$75,680,000) which bears interest at 5.5% (2019: 5.5%) per annum and \$6,630,000 (2019: \$6,630,000) which bears floating interest rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. INVENTORIES

	Group	
	2020 \$'000	2019 \$'000
Finished goods	11	13
Raw materials	54	31
	65	44

The cost of inventories recognised as expense and included in "cost of sales" amounted to \$410,000 (2019: \$278,000).

15. OTHER ASSETS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Deposits	2,544	5,185	67	67
Prepayments	1,875	742	83	54
Tax recoverable (Note 10(b))	816	679	–	–
Others	72	142	–	115
	5,307	6,748	150	236
Non-current				
Deposits	985	985	130	130
Others	37	9	–	–
	1,022	994	130	130

At the balance sheet date, the carrying amounts of the non-current deposits approximate their fair values.

16. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Beginning of financial year	9,165	9,322	9,165	9,322
Currency translation differences	(36)	(43)	(36)	(43)
Addition	2,250	–	2,250	–
Disposal	(4,000)	(500)	(4,000)	(500)
Fair value (losses)/gains recognised in other comprehensive income (Note 33(b)(i))	(600)	386	(600)	386
End of financial year	6,779	9,165	6,779	9,165

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Listed debt securities – Singapore	6,779	9,165	6,779	9,165

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.

17. ASSETS HELD FOR SALE

	Group	
	2020 \$'000	2019 \$'000
Details of the assets classified as held for sale are as follows:		
Beginning of financial year	5,447	5,586
Currency translation differences	(32)	87
Disposal	(4,123)	–
Net fair value loss recognised in profit or loss	–	(226)
	1,292	5,447

Assets held for sale as at 31 December 2020 comprise the following:

Location	Description	Existing use	Tenure	Unexpired term of lease	Previous classification
Indonesia MM 2100 Industrial Town Jl. Bali Blok HI-1 Cibitung Bekasi 17520	Factory compound	Industrial factory building	Leasehold	4 years	Property, plant and equipment
Indonesia Royal Palace Shophouse Complex, Block C No. 15, Jl. Prof. Dr. Seopomo SH No. 178A, Tebet, South Jakarta	A 4-storey shophouse	Office	Leasehold	0.5 year	Property, plant and equipment

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. ASSETS HELD FOR SALE (CONTINUED)

Details of assets held-for-sale that were disposed of to third parties in the current financial year are as follows:

Location	Description	Existing use	Tenure	Unexpired term of lease	Previous classification
Desa Cemerlang, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram 81800 Ulu Tiram Johor, Malaysia	9 blocks of workers dormitory	Commercial dormitory	Freehold	–	Investment Property
Beechwood House, 9-11 Ladybarn Lane, Fallowfield, Manchester M14 6NQ, United Kingdom	2 apartment blocks consisting of 11 flats with 37 beds	Student accommodation	Leasehold	114 years	Investment Property

Arising from the disposal, the Group recorded a loss on disposal of \$97,000 (Note 7).

Included in assets held for sale as at 31 December 2019 were assets previously classified as investment properties amounting to \$4,138,000 which were stated at fair value based on independent valuation. Fair value loss of \$226,000 were recognised in the profit or loss in the prior financial year.

The fair value measurement for assets held for sale has been categorised within Level 3 fair value hierarchy based on the inputs to the valuation techniques (Note 22).

Assets held for sale pledged as security for bank facilities extended to subsidiaries (Note 28(a)) amounted to \$nil (2019: \$2,656,000).

18. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2020 \$'000	2019 \$'000
Beginning of financial year	156	383
Currency translation differences	–	3
Fair value loss recognised in profit or loss (Note 7)	(132)	(230)
End of financial year	24	156

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

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

	Group	
	2020 \$'000	2019 \$'000
<i>Designated at fair value on initial recognition</i>		
– Unquoted equity investment – Singapore (Note (a))	24	49
– Rental guarantee from acquisition of student accommodation asset – United Kingdom (Note (b))	–	107

- (a) As at 31 December 2020 and 2019, 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.
- (b) As at 31 December 2019, the fair value of rental guarantee was derived from independent valuation report obtained. During the current financial year, the rental guarantee has expired.

19. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Equity investment, at cost</i>			1,668	1,668
Less: Accumulated impairment			(370)	(370)
			1,298	1,298
Beginning of financial year	108,918	116,699		
Currency translation differences	(293)	(419)		
Share of fair value losses from cash flow hedges (Note 33(b)(ii))	(29)	(36)		
Share of profit	4,985	427		
Dividends received	(2,166)	(7,817)		
Share of loss in excess of investment in an associated company	47	64		
End of financial year	111,462	108,918		

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

- (b) The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associates accounted for using the equity method:

	2020 \$'000	2019 \$'000
Profit/(loss) after tax	95	(110)
Other comprehensive income	52	32
Total comprehensive income/(loss)	147	(78)

- (c) Set out below are the associated companies of the Group as at 31 December 2020, which in the opinion of the directors, are not material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also their principal place of business.

Name of entity	Principal activities	Place of business/country of incorporation	% of ownership interest	
			2020 %	2019 %
Held directly by the Company				
Sherford (M) Sdn Bhd ^(a)	Property investment	Malaysia	25.0	25.0
Held by subsidiaries				
Oriental Amber Sdn Bhd ^{(b),(e)}	Property investment and provision of dormitory accommodation, management and services	Malaysia	49.0	49.0
Centurion Student Accommodation Fund ^{(c),(f),(g)}	Investment holding	Singapore	14.3	14.3
Held by Centurion Student Accommodation Fund				
Centurion Accommodation (I) Holdings Pte. Ltd. ^{(c),(g)}	Investment holding	Singapore	14.3	14.3
Held by Centurion Accommodation (I) Holdings Pte. Ltd.				
Centurion Investments (JS IX) Ltd ^{(d),(g)}	Property investment and provision of student accommodation	Jersey	14.3	14.3

(a) Audited by Grant Thornton MSW.

(b) Audited by PricewaterhouseCoopers PLT, Malaysia.

(c) Audited by PricewaterhouseCoopers LLP, Singapore.

(d) Audited by PricewaterhouseCoopers LLP, United Kingdom.

(e) Holdings through Centurion Dormitories Sdn Bhd.

(f) Holdings through Centurion Overseas Investments Pte. Ltd.

(g) Collectively known as Centurion Student Accommodation Fund Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

- (d) Set out below are the associated companies of the Group as at 31 December 2020, which in the opinion of the directors, are material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The country of incorporation is also their principal place of business.

Name of entity	Principal activities	Place of business/country of incorporation	% of ownership interest	
			2020 %	2019 %
Held by subsidiary				
Lian Beng-Centurion (Mandai) Pte. Ltd. ^{(a),(c)}	Owner of a workers’ dormitory and investment holding	Singapore	45.0	45.0
Held by Lian Beng-Centurion (Mandai) Pte Ltd				
Lian Beng-Centurion (Dormitory) Pte. Ltd. ^(a)	Provision of dormitory accommodation services	Singapore	45.0	45.0
Held by subsidiary				
Centurion US Student Housing Fund ^{(b),(d),(e)}	Investment holding	Singapore	28.7	28.7
Held by Centurion US Student Housing Fund				
Centurion US Student Accommodation Holdings Pte. Ltd. ^{(b),(e)}	Investment holding	Singapore	28.7	28.7
Held by Centurion US Student Accommodation Holdings Pte. Ltd.				
Centurion US Student Accommodation Inc. ^{(b),(e)}	Investment holding	United States of America	28.7	28.7

(a) Audited by Ernst and Young LLP, Singapore.

(b) Audited by PricewaterhouseCoopers LLP, Singapore.

(c) Holdings through Centurion Dormitories Pte. Ltd.

(d) Holdings through Centurion Overseas Investments Pte. Ltd.

(e) Collectively known as Centurion US Student Housing Fund Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated companies

Set out below is the summarised financial information for the material associated companies held by the Group.

Summarised balance sheet

	Centurion US Student Housing Fund Group As at 31 December		Lian Beng-Centurion (Mandai) Pte Ltd ¹ As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd ¹ As at 31 December	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ASSETS						
Current assets	6,233	3,144	6,223	6,479	17,736	13,780
Non-current assets	97,703	100,155	307,327	310,527	196	213
Includes:						
– Investment properties	–	–	265,000	268,200	–	–
– Financial assets, at fair value through profit or loss	41,818	43,648	–	–	–	–
LIABILITIES						
Current liabilities	(412)	(1,215)	(5,121)	(8,924)	(6,492)	(7,017)
Non-current liabilities	–	–	(143,888)	(143,377)	(24)	(26)
NET ASSETS	103,524	102,084	164,541	164,705	11,416	6,950

1 Lian Beng-Centurion (Dormitory) Pte Ltd is a wholly owned subsidiary of Lian Beng-Centurion (Mandai) Pte Ltd. As no consolidation is prepared for Lian Beng-Centurion (Mandai) Pte Ltd and its subsidiary, the Group has presented the standalone financial information for these two companies instead.

If the actual fair values of the investment properties held by the material associates increase/decrease by 3% (2019: 3%), the share of profit and net assets attributable to the Group, taking into account tax impact, will increase/decrease by \$3,578,000 (2019: \$3,621,000).

Summarised statement of comprehensive income

	Centurion US Student Housing Fund Group For the year ended 31 December		Lian Beng-Centurion (Mandai) Pte Ltd ¹ For the year ended 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd For the year ended 31 December	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Revenue	–	–	–	–	21,542	23,222
Profit/(loss) before tax	2,741	(16,324)	4,973	11,839	12,621	15,098
– Income tax expense	–	(175)	(323)	(28)	(2,327)	(2,523)
Other comprehensive loss	(1,301)	(1,695)	–	–	–	–
Total comprehensive income/(loss)	1,440	(18,194)	4,650	11,811	10,294	12,575

1 Lian Beng-Centurion (Mandai) Pte Ltd's total comprehensive income of \$4,650,000 (2019: \$11,811,000) includes dividend income of \$5,828,000 (2019: \$12,656,000) received from its wholly owned subsidiary Lian Beng-Centurion (Dormitory) Pte Ltd during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated companies (Continued)

Summarised statement of comprehensive income (Continued)

The information above reflects the amounts included in the financial statements of the associated companies (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in the associated companies is as follows:

	Centurion US Student Housing Fund Group As at 31 December		Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December			
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000		
Net assets								
At 1 January	102,084	127,661	164,705	165,550	6,950	7,031		
Profit/(loss) for the year	2,741	(16,499)	4,650	11,811	10,294	12,575		
Other comprehensive loss	(1,301)	(1,695)	–	–	–	–		
Dividends paid	–	(7,383)	(4,814)	(12,656)	(5,828)	(12,656)		
Net assets at 31 December	103,524	102,084	164,541	164,705	11,416	6,950		
							Total As at 31 December	
							2020 \$'000	2019 \$'000
Interest in the associated companies (28.7%; 45%; 45%)	29,756	29,339	74,043	74,117	5,137	3,128	108,936	106,584
Add:								
Carrying value of individually immaterial associated companies, in aggregate							2,526	2,334
Carrying value of Group's interest in associated companies							111,462	108,918
Dividends received from associated companies	NA	2,122	2,166	5,695	NA	NA	2,166	7,817

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Equity investment, at cost</i>				
Beginning of financial year	4,819	4,604	–	–
Currency translation differences	105	(147)		
Share of (loss)/profit	(166)	362		
End of financial year	4,758	4,819		

Set out below is the joint venture of the Group as at 31 December 2020:

Name of entity	Principal activities	Place of business/country of incorporation	% of ownership interest	
			2020 %	2019 %
Held by subsidiary				
IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC ^{(a),(b)}	Property investment	South Korea	55.0	55.0

(a) Holdings through Centurion Overseas Investments Pte. Ltd.

(b) Audited by Ejung-Gyul Accounting Corporation, Korea.

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

Summarised financial information for joint venture

Set out below is the summarised financial information for IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC.

Summarised balance sheet

	IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC As at 31 December	
	2020 \$'000	2019 \$'000
ASSETS		
Current assets	395	686
Includes:		
– Cash and cash equivalents	386	619
Non-current assets	21,992	21,585
Includes:		
– Investment property	21,992	21,585
LIABILITIES		
Current liabilities	(303)	(396)
Includes:		
– Derivative financial instruments	(173)	(167)
Non-current liabilities	(13,433)	(13,113)
Includes:		
– Borrowings	(13,433)	(13,113)
NET ASSETS	8,651	8,762

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information for joint venture (Continued)

Summarised balance sheet (Continued)

If the actual fair value of the investment property held by the joint venture increase/decrease by 3% (2019: 3%), the share of profit and net assets attributable to the Group, taking into account tax impact, will increase/decrease by \$363,000 (2019: \$353,000).

Summarised statement of comprehensive income

	IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC As at 31 December	
	2020 \$'000	2019 \$'000
Revenue	536	763
Interest income	–	38
Expenses		
Includes:		
– Interest expense	(376)	(554)
(Loss)/profit before tax	(298)	657
– Income tax expense	(4)	–
(Loss)/profit after tax	(302)	657
Other comprehensive income/(loss)	191	(266)
Total (loss)/profit after tax and total comprehensive (loss)/income	(111)	391

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint venture, is as follows:

	IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC As at 31 December	
	2020 \$'000	2019 \$'000
Net assets		
As at 1 January	8,762	8,371
(Loss)/profit for the year	(302)	657
Other comprehensive income/(loss)	191	(266)
Net assets at 31 December	8,651	8,762
Interest in the joint venture (55%)	4,758	4,819

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 \$'000	2019 \$'000
Equity investment, at cost	26,194	26,193
Less: Accumulated impairment	(9,497)	(9,548)
	16,697	16,645

(a) The carrying amount of investments in subsidiaries and the movement in the related allowance for impairment are as follows:

	Company	
	2020 \$'000	2019 \$'000
Beginning of financial year	16,645	16,703
Incorporation of a new subsidiary	1	–
Write-back/(impairment) of subsidiaries	51	(58)
End of financial year	16,697	16,645

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019:

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Summit Creations Pte. Ltd. (formerly known as Summit CD Manufacture Pte Ltd) ^(a)	Manufacture and sale of optical discs and trading business	Singapore	SGD2,000,000	100	100	100	100	–	–
Summit Hi-Tech Pte Ltd ^(b)	Dormant	Singapore	SGD1,003,000	100	100	100	100	–	–
SM Summit Holdings Pte. Ltd. ^(a)	Investment holding	Singapore	SGD500,000	100	100	100	100	–	–
Advance Technology Investment Ltd ^{(b),(f)}	Investment holding	Hong Kong	HKD100,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Shanghai Huade Photoelectron Science & Technology Co. Ltd ^(g)	Dormant	People's Republic of China	CNY59,817,675	–	–	–	100	–	–
Summit Technology Australia Pty Ltd ^(c)	Dormant	Australia	AUD4,000,000	100	100	100	100	–	–
Centurion Accommodation (Australia) Pty Ltd ^{(c),(h)}	Property investments	Australia	AUD2,000,000	–	–	100	100	–	–
Summit CD Manufacture (HK) Ltd ^(b)	Dormant	Hong Kong	HKD3,000,000	100	100	100	100	–	–
Gate Cosmos Investments Ltd ^(b)	Investment holding	British Virgin Islands	SGD2	100	100	100	100	–	–
PT Digital Media Technology ^{(b),(i)}	Dormant	Indonesia	IDR10,005,000,000	–	–	100	100	–	–
Centurion Dormitories Pte. Ltd. ^(a)	Investment holding	Singapore	SGD2,000,000	100	100	100	100	–	–
Westlite Dormitory Management Pte. Ltd. ^{(a),(j)}	Provision of management services	Singapore	SGD4,000,000	–	–	100	100	–	–
Westlite Dormitory (Toh Guan) Pte. Ltd. ^{(a),(j)}	Property investments and provision of dormitory accommodation services	Singapore	SGD2,000,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Westlite Accommodation Management Pte. Ltd. (formerly known as Westlite Dormitory Investments Pte. Ltd.) ^{(a),(j)}	Investment holding	Singapore	SGD4,935,600	–	–	100	100	–	–
Westlite Dormitory (Tuas) Pte. Ltd. ^{(a),(i)}	Dormant	Singapore	SGD1,000,000	–	–	100	100	–	–
Centurion Dormitories Holdings Pte. Ltd. ^(a)	Investment holding	Singapore	SGD100,000	100	100	100	100	–	–
Westlite Dormitory (Woodlands) Pte. Ltd. ^{(a),(k)}	Property investments and provision of dormitory accommodation services	Singapore	SGD1,000,000	–	–	100	100	–	–
Westlite Dormitory (V Two) Pte. Ltd. ^{(a),(k)}	Investment holding	Singapore	SGD110,000	–	–	100	100	–	–
PT Westlite Accommodation Cibitung ^{(b),(l)}	Property investments and provision of dormitory accommodation services	Indonesia	IDR5,000,000,000	–	–	100	100	–	–
Westlite Juniper (Mandai) Pte. Ltd. ^{(a),(k)}	Provision of dormitory accommodation services	Singapore	SGD800,000	–	–	100	100	–	–
Centurion Dormitory Venture Pte. Ltd. ^(a)	Investment holding	Singapore	SGD100,000	100	100	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Centurion-Lian Beng (Papan) Pte. Ltd. ^{(a),(m)}	Property investments and provision of dormitory accommodation services	Singapore	SGD2,000,000	–	–	51	51	49	49
CSL Student Living (Selegie) Pte. Ltd. ^{(a),(k)}	Provision of student accommodation and services	Singapore	SGD500,000	–	–	100	100	–	–
WLC Facilities Services Pte. Ltd. ^{(a),(j)}	Provision of utilities and transportation services	Singapore	SGD300,000	–	–	100	100	–	–
Centurion Dormitories Sdn Bhd ^{(d),(j)}	Investment holding	Malaysia	MYR1,000,000	–	–	100	100	–	–
Westlite Dormitory Management Sdn Bhd ^{(d),(n)}	Provision of management services	Malaysia	MYR500,000	–	–	100	100	–	–
WLC Services Sdn. Bhd. (formerly known as WLC Management Services Sdn Bhd) ^{(d),(n)}	Cleaning and maintenance services	Malaysia	MYR100,000	–	–	100	100	–	–
Westlite Dormitory (Tebrau) Sdn Bhd ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Westlite Dormitory (Cemerlang) Sdn Bhd ^{(d),(n)}	Dormant	Malaysia	MYR100,000	–	–	100	100	–	–
Centurion Overseas Ventures Ltd ^{(b),(o)}	Investment holding	Malaysia	AUD33,600,000	–	–	100	100	–	–
Westlite Dormitory (JB Techpark) Sdn Bhd ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	100	100	–	–
Westlite Dormitory (Tampoi) Sdn Bhd ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	100	100	–	–
Westlite Dormitory (Pasir Gudang) Sdn Bhd ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	100	100	–	–
Westlite Dormitory (PG II) Sdn Bhd ^{(d),(n)}	Dormant	Malaysia	MYR10	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Westlite Dormitory (Senai) Sdn Bhd ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	100	100	–	–
Westlite Dormitory (SN II) Sdn Bhd ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	100	100	–	–
Westlite Dormitory (Petaling Jaya) Sdn Bhd (formerly known as Westlite Dormitory (Penang Juru) Sdn Bhd) ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR1,000,000	–	–	100	100	–	–
Westlite Dormitory (Bukit Minyak) Sdn Bhd ^{(d),(n)}	Property investments and provision of dormitory accommodation services	Malaysia	MYR100,000	–	–	100	100	–	–
First Megalink Sdn Bhd ^{(d),(n)}	Dormant	Malaysia	MYR2	–	–	100	100	–	–
Centurion Overseas Investments Pte. Ltd. ^(a)	Investment holding	Singapore	SGD11,000,000	100	100	100	100	–	–
Centurion Melbourne Student Village Trust ^{(c),(p)}	Trust	Australia	AUD52,200,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Centurion Melbourne Apartment Trust ^{(c),(p)}	Trust	Australia	AUD6,400,000	–	–	100	100	–	–
Centurion Australia Investments Pty Ltd ^{(b),(o)}	Trustees for 2 trusts in Australia	Australia	AUD10,000	–	–	100	100	–	–
Centurion Student Services Pty Ltd ^{(c),(o)}	Provide management services and student accommodation services	Australia	AUD100,000	–	–	100	100	–	–
Centurion Overseas Investments (II) Pte. Ltd. ^{(a),(o)}	Investment holding	Singapore	SGD100,000	–	–	100	100	–	–
Centurion SA Investments Pty Ltd ^{(b),(q)}	Provision of trustee services	Australia	AUD2	–	–	100	100	–	–
Centurion Investments (JS A) Ltd ^{(b),(q)}	Investment holding	Jersey	AUD19,500,000	–	–	100	100	–	–
Centurion Adelaide Student Village Trust ^{(a),(r)}	Trust	Australia	AUD22,550,000	–	–	100	100	–	–
Centurion Student Services (UK) Ltd ^{(e),(o)}	Provide management services and student accommodation services	United Kingdom	GBP100,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Centurion Investments (JS) Ltd ^{(b),(a)}	Property investments and provision of student accommodation	Jersey	GBP700,000	–	–	100	100	–	–
Centurion Investments (JS I) Ltd ^{(b),(a)}	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	100	100	–	–
Centurion Investments (JS II) Ltd ^{(b),(a)}	Property investments and provision of student accommodation	Jersey	GBP200,000	–	–	100	100	–	–
Centurion Investments (JS III) Ltd ^{(b),(a)}	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	100	100	–	–
Centurion Investments (JS IV) Ltd ^{(b),(a)}	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	100	100	–	–
Centurion Investments (JS V) Ltd ^{(b),(a)}	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Centurion Investments (JS VI) Ltd ^{(b),(o)}	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	100	100	–	–
Centurion Investments (JS VII) Ltd ^{(b),(o)}	Property investments and provision of student accommodation	Jersey	GBP100,000	–	–	100	100	–	–
Centurion Accommodation Management Pte. Ltd. ^(a)	Business and management consultancy services and investment holding	Singapore	SGD1	100	100	100	100	–	–
Centurion Student Investment Management Pte. Ltd. ^{(a),(s)}	Fund management activities	Singapore	SGD1,000	–	–	100	100	–	–
Centurion Student Accommodation Trustee Pte. Ltd. ^{(a),(s)}	Provision of trustee services	Singapore	SGD1,000	–	–	100	100	–	–
Centurion Student ACM Trustee (I) Pte. Ltd. ^{(a),(s)}	Provision of trustee services	Singapore	SGD1,000	–	–	100	100	–	–
Dwell Student Living Korea Ltd ^{(b),(s)}	Provision of management and asset management services	South Korea	KRW10,000,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Dwell US Student Living LLC ^{(b),(s)}	Provision of management services and student accommodation services	United States of America	USD1,000	–	–	100	100	–	–
Dwell Adelaide Student Living Pty Ltd ^{(c),(s)}	Provision of management services and student accommodation services	Australia	AUD1,000	–	–	100	100	–	–
CSL Student Living Benikea KP Ltd ^{(b),(o)}	Provision of tourist and student accommodation services	South Korea	KRW10,000,000	–	–	55	55	45	45
Centurion Overseas Venture (HK) Limited ^{(b),(m)}	Deregistered	Hong Kong	HKD10,000	–	–	–	100	–	–
Centurion Investments (BV) Ltd ^{(b),(o)}	Property investment and provision of student accommodations	British Virgin Islands	GBP10,000	–	–	100	100	–	–
Westlite Dormitory (V Six) Pte. Ltd. ^{(a),(t)}	Provision of management services	Singapore	SGD1,000	–	–	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The Group had the following subsidiaries as at 31 December 2020 and 2019: (Continued)

Name	Principal activities	Country of business/ incorporation	Issued and fully paid up capital	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Westlite Dormitory (V Seven) Pte. Ltd. ^{(a),(i)}	Dormant	Singapore	SGD1,000	–	–	100	–	–	–
Westlite Management Pte. Ltd. ^(b)	Investment holding	Singapore	SGD1,000	100	–	100	–	–	–

(a) Audited by PricewaterhouseCoopers LLP, Singapore

(b) Not required to be audited under the laws of the country of incorporation

(c) Audited by Crowe Horwath, Australia

(d) Audited by PricewaterhouseCoopers, Malaysia

(e) Audited by PricewaterhouseCoopers LLP, United Kingdom

(f) Holdings through SM Summit Holdings Pte Ltd

(g) Holdings through Advance Technology Investment Ltd

(h) Holdings through Summit Technology Australia Pty Ltd

(i) Holdings through Gate Cosmos Investments Ltd and SM Summit Holdings Pte. Ltd.

(j) Holdings through Centurion Dormitories Pte. Ltd.

(k) Holdings through Centurion Dormitories Holdings Pte. Ltd.

(l) Holdings through Westlite Dormitory (V Two) Pte. Ltd. and Gate Cosmos Investments Ltd

(m) Holdings through Centurion Dormitory Venture Pte. Ltd.

(n) Holdings through Centurion Dormitories Sdn Bhd

(o) Holdings through Centurion Overseas Investments Pte. Ltd.

(p) Holdings through Centurion Overseas Ventures Ltd

(q) Holdings through Centurion Overseas Investments (II) Pte. Ltd.

(r) Holdings through Centurion Overseas Investments (JS A) Ltd

(s) Holdings through Centurion Accommodation Management Pte. Ltd.

(t) Holdings through Westlite Management Pte. Ltd.

(u) In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries, joint venture and associated companies would not compromise the standard and effectiveness of the audit of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Changes in the Group's ownership interest in subsidiaries

Disposal of a subsidiary

During the current financial year, the Group disposed of its 100% indirectly owned subsidiary, Shanghai Huade Photoelectron Science & Technology Co. Ltd to Shanghai Moreway Environmental Protection Material Technology Co., Ltd. The effects of the disposal on the cash flows of the Group were:

	Group \$'000
<i>Carrying amounts of assets and liabilities as at date of disposal:</i>	
Trade and other receivables	16
Property, plant and equipment	9
Investment property (Note 22)	4,982
Total assets	5,007
Trade and other payables	11
Deferred income tax liabilities (Note 31)	633
Total liabilities	644
Net assets disposed of	4,363
<i>Cash inflows arising from disposal:</i>	
Net assets disposed of (as above)	4,363
Reclassification of currency translation reserve	67
Total assets	4,430
Gain on disposal (Note 7)	1,398
Purchase consideration, net of transaction costs	5,828
Less: Cash and cash equivalents in subsidiary disposed of	–
Net cash inflow on disposal	5,828

During the current financial year, the Company's directly wholly owned subsidiary, Centurion Dormitories Pte. Ltd. has subscribed for an additional 1,000,000 shares of its wholly owned subsidiary, Westlite Dormitory (Toh Guan) Pte. Ltd. for a cash consideration of SGD1,000,000. After the subscription, the issued and paid-up share capital of Westlite Dormitory (Toh Guan) Pte. Ltd. has increased to SGD2,000,000.

The Company's directly wholly owned subsidiary, Centurion Dormitories Pte. Ltd. has subscribed for an additional 200,000 shares of its wholly owned subsidiary, WLC Facilities Services Pte. Ltd. for a cash consideration of SGD200,000. After the subscription, the issued and paid-up share capital of WLC Facilities Services Pte. Ltd. has increased to SGD300,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Incorporation of subsidiaries

On 22 June 2020, the Group established a wholly owned subsidiary known as Westlite Dormitory (V Seven) Pte. Ltd. in Singapore through its wholly owned subsidiary, Centurion Dormitories Pte. Ltd. with an issued share capital of SGD1,000.

On 2 October 2020, the Company established a wholly owned subsidiary known as Westlite Management Pte. Ltd. in Singapore with an issued share capital of SGD1,000.

(e) Striking-off of subsidiaries

One indirectly wholly owned subsidiary, Centurion Overseas Venture (HK) Limited was voluntarily struck off during the current financial year.

On 2 November 2020, the Company submitted an application to the Accounting and Corporate Regulatory Authority of Singapore for voluntary strike-off of a wholly owned subsidiary, Summit Hi-Tech Pte Ltd. This subsidiary was struck off on 8 February 2021.

(f) Carrying value of non-controlling interests

	Group	
	2020 \$'000	2019 \$'000
Centurion-Lian Beng (Papan) Pte. Ltd.	24,028	22,192
CSL Student Living Benikea KP Ltd	(839)	(518)
	23,189	21,674

Summarised financial information of subsidiary with material non-controlling interest

Set out below is the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	Centurion-Lian Beng (Papan) Pte Ltd	
	2020 \$'000	2019 \$'000
Current		
Assets	23,873	10,402
Liabilities	(17,846)	(21,582)
Total current net assets/(liabilities)	6,027	(11,180)
Non-current		
Assets	215,625	224,960
Liabilities	(172,615)	(168,486)
Total non-current net assets	43,010	56,474
Net assets	49,037	45,294

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) Carrying value of non-controlling interests (Continued)

Summarised financial information of subsidiary with material non-controlling interest (Continued)

Summarised statement of comprehensive income

	Centurion-Lian Beng (Papan) Pte Ltd	
	2020 \$'000	2019 \$'000
Revenue	26,090	27,248
Profit before income tax	6,377	10,958
Income tax expense	(2,634)	(2,159)
Profit after tax and total comprehensive income	3,743	8,799
Total comprehensive income allocated to non-controlling interests	1,834	4,312

No dividends were paid to non-controlling interests in the current and prior financial years.

Summarised cash flows

	Centurion-Lian Beng (Papan) Pte Ltd	
	2020 \$'000	2019 \$'000
Net cash provided by operating activities	17,754	15,474
Net cash provided by investing activities	20	16
Net cash used in financing activities	(4,472)	(18,277)

22. INVESTMENT PROPERTIES

	Group	
	2020 \$'000	2019 \$'000
Beginning of financial year	1,275,879	1,138,048
Currency translation differences	17,162	4,568
Additions	51,553	66,771
Disposal via sale of a subsidiary [Note 21(c)]	(4,982)	–
Adjustment in relation to extension option [Note 24(h)]	(4,201)	–
Net fair value (losses)/gains recognised in profit or loss	(27,641)	66,492
End of financial year	1,307,770	1,275,879

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

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

Included in additions are acquisition of an investment property of \$nil (2019: \$26,974,000), capitalised expenditure of \$11,377,000 (2019: \$10,788,000) and right-of-use assets of \$40,176,000 (2019: \$29,009,000) (Note 24(f)).

Certain investment properties and assets held for sale are pledged as security for the bank facilities extended to subsidiaries (Note 28(a)). The carrying values of these investment properties and assets held for sale (Note 17) amounted to approximately \$1,205,894,000 (2019: \$1,200,451,000).

Reconciliation of fair value of investment properties

	Group	
	2020 \$'000	2019 \$'000
Fair value of investment properties (based on valuation report)	1,213,177	1,210,167
Add: Carrying amount of lease liabilities	94,593	65,712
Carrying amount of investment properties	1,307,770	1,275,879

The following amounts are recognised in profit or loss:

	Group	
	2020 \$'000	2019 \$'000
Rental income (Note 4)	117,331	124,940
Direct operating expenses arising from:		
– Investment properties that generated rental income	(50,829)	(42,003)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description	Existing use	Tenure	Unexpired term of lease
14 to 28 Toh Guan Road East, Singapore	8 blocks of workers dormitory	Commercial dormitory	Leasehold	37 years
2 Woodlands Sector 2, Singapore	Two 13-storey blocks of workers dormitory	Commercial dormitory	Leasehold	23 years
5, 5C & 5D Jalan Papan, Singapore	2 blocks of workers dormitory	Commercial dormitory	Leasehold	17 years
23 Mandai Estate, Singapore	2 blocks of 6-storey block of workers dormitory under lease	Commercial dormitory	Leasehold	8.5 years
18A Kranji Way, Singapore	20 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	3 years
1A Tuas Avenue 2, Singapore	14 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	3 years
1A Short Street, Singapore	10-storey student accommodation under lease	Student accommodation	Leasehold	0.5 year
PLO 46, No 38, Jalan Teknologi 5, Taman Teknologi Johor, 81400 Senai, Johor, Malaysia	5 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	91 years
PLO 250, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Malaysia	2 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	39 years
Block Nos. 72, 73, 74, 75, 76 & 79, Off Jalan Tembusu, Taman Air Biru, 81700 Pasir Gudang, Johor, Malaysia	6 blocks of workers dormitory	Commercial dormitory	Leasehold	65 years
Block No. 78, Off Jalan Tembusu, Taman Air Biru, 81700 Pasir Gudang, Johor, Malaysia	1 block of workers dormitory	Commercial dormitory	Leasehold	4 years
Lot 2051, No. 6, Jalan Bayu, Taman Perindustrian Tampoi Jaya, 81200 Johor Bahru, Malaysia	3 blocks of workers dormitory	Commercial dormitory	Freehold	—
Lot No. 6212, Jalan Perindustrian 2, Kawasan Perindustrian Senai II, 81400 Senai Johor, Malaysia	2 blocks of workers dormitory	Commercial dormitory	Freehold	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

At the balance sheet date, the details of the Group's investment properties are as follows: (Continued)

Location	Description	Existing use	Tenure	Unexpired term of lease
Lot No. 6214, Jalan Perindustrian 2, Kawasan Perindustrian Senai II 81400 Senai, Johor, Malaysia	5 blocks of workers dormitory	Commercial dormitory	Freehold	–
No. 38 Jalan Perniagaan Seri Tambun, Taman Westlite Dormitory Bukit Tambun, 14100 Simpang Ampat, Penang, Malaysia	3 blocks of workers dormitory	Commercial dormitory	Freehold	–
No 12A, Jalan SS8/2, 47300 Petaling Jaya, Selangor Darul Ehsan Malaysia	Two 11-storey blocks of workers dormitory and 2 levels of basement car park	Commercial dormitory	Leasehold	21 years
Manchester Student Village, Lower Chatham Street, Manchester, M1 5SX, United Kingdom	Two 9-storey blocks and a 7-storey block	Student accommodation	Freehold	–
MSV South 357A Great Western Street, Manchester, M14 4AH, United Kingdom	7 blocks with 8 clusters in each block and 4 blocks with 6 or 8 clusters in each block	Student accommodation	Freehold	–
The Grafton, 60 Grafton Street, Manchester, M13 9NU, United Kingdom	1 block consisting of 55 flats with 145 beds	Student accommodation	Freehold	–
Cathedral Campus, 1 Dean Patey Court Cathedral Gate, Off Upper Duke Street Liverpool, L1 7BT, United Kingdom	Eighty seven 3-storey houses arranged in 14 terraced blocks around 3 courtyard areas	Student accommodation	Leasehold	236 years
Garth Heads, Melbourne Street, Newcastle-Upon-Tyne, NE1 2JE, United Kingdom	4 blocks consisting of 34 flats with 181 beds	Student accommodation	Leasehold	100 years
Hotwells House, 192-216 Hotwell Road Bristol, BS8 4UR, United Kingdom	4 blocks consisting of 40 flats with 157 beds	Student accommodation	Leasehold	113 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

At the balance sheet date, the details of the Group's investment properties are as follows: (Continued)

Location	Description	Existing use	Tenure	Unexpired term of lease
Weston Court, 45-47 Cromwell Range, Fallowfield, Manchester, M14 6HH, United Kingdom	4 blocks consisting of flats with 140 beds	Student accommodation	Leasehold	113 years
121 Princess Street, Manchester, M1 7AG United Kingdom	1 block consisting of 126 flats with 127 beds	Student accommodation	Freehold	–
Archer House, 14-22 Castle Gate, Nottingham, NG1 7AW, United Kingdom	177 beds arranged within 14 cluster flats and 93 studios	Student accommodation	Freehold	–
Castle Gate Haus, 32-44 (even), Castle Gate, Nottingham, NG1 7AT, United Kingdom	133 beds arranged across 4 interlinking blocks within 81 cluster flats and 69 studios under lease	Student accommodation	Leasehold	4 years
RMIT Village Student Accommodation Melbourne, 5-17 Flemington Road, North Melbourne VIC 3051 Australia	Accommodation with 616 beds	Student accommodation	Freehold	–
RMIT Village Car Park Site Melbourne, 5-17 Flemington Road, North Melbourne VIC 3051 Australia	Commercial car park	Commercial car park	Freehold	–
12 – 18 Synagogue Place Adelaide, South Australia	260 bedrooms of accommodation with 280 beds	Student accommodation	Freehold	–
44-46 Anderson Street, Port Healand WA 6721 Australia	Land	Industrial	Freehold	–
Jl. Wareng Kalijambe, Lambang Sari Village, Subdistrict of Tambun Selatan, Bekasi, West Java, Indonesia	Land	Residential	Leasehold	23 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy – Recurring fair value measurements

Description	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000
31 December 2020			
Investment properties:			
– Land and industrial property	–	–	2,003
– Commercial dormitories	–	–	804,809
– Student accommodation	–	–	500,958
31 December 2019			
Investment properties:			
– Land and industrial property	–	–	6,742
– Commercial dormitories	–	–	767,619
– Student accommodation	–	–	501,518
– Assets held for sale (Note 17)	–	–	4,138

Reconciliation of movements in Level 3 fair value measurement

	Land, industrial property and commercial dormitories \$'000	Land and student accommodation \$'000	Assets held for sale (Note 17) \$'000
2020			
Beginning of financial year	774,361	501,518	4,138
Currency translation differences	619	16,543	(15)
Fair value losses recognised in profit or loss	(10,247)	(17,394)	–
Additions	46,979	4,574	–
Disposals	(4,982)	–	(4,123)
Adjustment in relation to extension option [Note 24(h)]	–	(4,201)	–
Reclassification	(809)	809	–
End of financial year	805,921	501,849	–
2019			
Beginning of financial year	675,838	462,210	4,301
Currency translation differences	(1,036)	5,604	63
Fair value gains/(losses) recognised in profit or loss	66,445	47	(226)
Additions	33,114	33,657	–
End of financial year	774,361	501,518	4,138

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 December 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurement

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and assets held for sale (Note 17) categorised under Level 3 of the fair value hierarchy:

Country	Description	Fair value at 31 December 2020 (\$'000)	Valuation technique	Unobservable inputs ^(a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
United Kingdom	Student accommodation	330,053 (2019: 332,091)	Income capitalisation approach	Rental rate per room per week	\$193 – \$433 (2019: \$148 – \$400)	The higher the rental rate per room per week, the higher the valuation
	Student accommodation – asset held for sale (Note 17)	Not applicable (2019: 2,656)		Capitalisation rate	5.5% – 6.8% (2019: 5.5% – 6.8%)	The higher the capitalisation rate, the lower the valuation
Singapore	Commercial dormitories	601,000 (2019: 615,000)	Income capitalisation approach	Rental rate per room per month	\$2,500 – \$8,800 (2019: \$2,400 – \$8,800)	The higher the rental rate per room per month, the higher the valuation
				Capitalisation rate	6.8% – 7.0% (2019: 6.8% – 7.2%)	The higher the capitalisation rate, the lower the valuation
				Cost to complete	\$15,870,000 (2019: \$17,100,000)	The higher the cost to complete, the lower the valuation
Indonesia	Land	1,112 (2019: 1,112)	Sales comparison approach	Market value per square metre	\$153 (2019: \$153)	The higher the market value per square metre, the higher the valuation
Malaysia	Commercial dormitories	113,003 (2019: 97,756)	Income capitalisation approach	Rental rate per room per month	\$569 – \$896 (2019: \$533 – \$886)	The higher the rental rate per room per month, the higher the valuation
	Commercial dormitory – asset held for sale (Note 17)	Not applicable (2019: 1,482)		Capitalisation rate	7.5% – 9.5% (2019: 9.5% – 10.0%)	The higher the capitalisation rate, the lower the valuation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

Country	Description	Fair value at 31 December 2020 (\$'000)	Valuation technique	Unobservable inputs ^(a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
			Sales comparison approach	Market value per square metre	\$146 – \$256 (2019: \$170 – \$175)	The higher the market value per square metre, the higher the valuation
			Cost approach	Cost per square metre	\$284 – \$533 (2019: \$284 – \$532)	The higher the cost per square metre, the higher the valuation
Australia	Student accommodation	167,118 (2019: 158,578)	Discounted cash flow approach	Discount rate	8.0% to 8.9% (2019: 9.0% – 9.4%)	The higher the discount rate, the lower the valuation
			Income capitalisation approach	Rental rate per room per week	\$301 – \$539 (2019: \$294 – \$502)	The higher the rental rate per room per week, the higher the valuation
				Capitalisation rate	6.0% to 6.3% (2019: 6.2% to 6.3%)	The higher the capitalisation rate, the lower the valuation
			Sales comparison approach	Market value per square metre	\$2,061 – \$22,982 (2019: \$5,067 – \$31,570)	The higher the market value per square metre, the higher the valuation
	Land	891 (2019: 809)	Sales comparison approach	Market price per square metre	\$194 – \$209 (2019: \$175 – \$190)	The higher the market price per square metre, the higher the valuation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurement (Continued)

Country	Description	Fair value at 31 December 2020 (\$'000)	Valuation technique	Unobservable inputs ^(a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
People's Republic of China	Industrial property	Not applicable (2019: 4,821)	Income capitalisation approach	Rental rate per square metre per month	Not applicable (2019: \$7 – \$9)	The higher the rental rate per square metre, the higher the valuation
				Capitalisation rate	Not applicable (2019: 5.5%)	The higher the capitalisation rate, the lower the valuation
			Sales comparison approach	Market value per square metre	Not applicable (2019: \$465 – \$488)	The higher the market value per square metre, the higher the valuation

(a) There were no significant inter-relationships between unobservable inputs.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year based on the properties' highest and best use. As at 31 December 2020, the fair values of the properties have been determined by Suntec Real Estate Consultants Pte Ltd, CBRE Pte Ltd, KJPP Billy Anthony Lie & Rekan, Henry Butcher Malaysia (Penang) Sdn Bhd, Knight Frank Malaysia Sdn Bhd, C H Williams Talhar & Wong Sdn Bhd, Savills Valuations Pty Ltd, CBRE Valuations Pty Limited, Acumentis (WA) Pty Ltd and Cushman & Wakefield Debenham Tie Leung Limited.

At each financial year, the investment and finance department of the Group together with the Group Chief Executive Officer:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports;
- holds discussions with the independent valuers and;
- analyses the reasons for the fair value movements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group (Continued)

Changes in Level 3 fair values are analysed at each reporting date.

Discounted cash flow approach involves the discounting of future net income flows at an appropriate required rate of return applicable to that class of property to obtain the net present value. The net income is derived by deducting from the gross income, outgoings such as operating expenses, lease payments and property tax, and after making allowances for vacancies.

Income capitalisation approach involves capitalising the net income at an appropriate capitalisation rate to arrive at the fair value. The net income is derived by deducting outgoings such as operating expenses, lease payments and property tax, and after making allowances for vacancies from gross rentals and other income.

Cost approach involves separately determining the values of the land and building and a summation of these values is taken to be the fair value of the property. The value of the land is arrived at by the comparison approach in which it takes reference to transactions of similar lands in the surrounding with adjustments made for any differences. The buildings are valued by reference to their depreciated replacement cost. It is determined by taking current replacement cost of the building as new and allowing for depreciation for obsolescence.

Sales comparison approach involves using the values of sale prices of comparable properties and comparing it directly to the subject property. Allowances are made for difference in the properties including land size, improvements and location. The most significant input into this valuation approach is selling price per metre.

The estimated costs to completion for investment property under construction are estimated by management using the budgets developed internally by the Group based on management's experience and knowledge of market conditions.

The independent valuers are of the view that the valuation techniques and estimates they have employed are reflective of the current market conditions and have taken into account the impact of COVID-19 based on information available as at 31 December 2020. The independent valuers have also highlighted that given the heightened uncertainty over the length and severity of COVID-19 outbreak in the respective countries in which the Group operates and the ongoing measures being adopted to address the outbreak, valuations may be subjected to more fluctuation subsequent to 31 December 2020 than during normal market conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building \$'000	Leased office space and leasehold improvements \$'000	Plant machinery and equipment \$'000	Renovation, furniture and fittings \$'000	Motor vehicles \$'000	Office equipment and computers \$'000	Capital work-in- progress \$'000	Total \$'000
Group								
2020								
Cost								
Beginning of financial year	681	3,012	4,159	11,260	430	1,696	280	21,518
Currency translation differences	2	–	25	154	–	21	5	207
Additions	–	–	369	621	–	346	168	1,504
Disposals	–	(5)	(113)	(331)	(35)	(33)	(207)	(724)
Reclassification	–	–	207	(98)	–	48	(157)	–
End of financial year	683	3,007	4,647	11,606	395	2,078	89	22,505
Accumulated depreciation								
Beginning of financial year	17	911	1,499	6,193	257	1,129	–	10,006
Currency translation differences	–	–	13	68	–	11	–	92
Disposals	–	(3)	(63)	(328)	(24)	(24)	–	(442)
Depreciation charge (Note 5)	4	568	577	1,771	59	334	–	3,313
Reclassification	–	–	113	(113)	–	–	–	–
End of financial year	21	1,476	2,139	7,591	292	1,450	–	12,969
Accumulated impairment								
Beginning of financial year	–	–	1,310	–	53	–	–	1,363
Impairment charge (Note 7)	–	483	8	14	–	3	–	508
Disposals	–	–	(2)	–	(11)	–	–	(13)
End of financial year	–	483	1,316	14	42	3	–	1,858
Net book value								
End of financial year	662	1,048	1,192	4,001	61	625	89	7,678

An impairment charge of \$508,000 (2019: \$nil) is included within “Other losses – net” in the consolidated income statement. The impairment charge has arisen from management’s decision during the current financial year to not extend the lease of a student accommodation asset as a result of negative cash flow projections due to COVID-19 situation based on financial budgets prepared by management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land and building \$'000	Leased office space and leasehold improvements \$'000	Plant machinery and equipment \$'000	Renovation, furniture and fittings \$'000	Motor vehicles \$'000	Office equipment and computers \$'000	Capital work-in-progress \$'000	Total \$'000
Group								
2019								
Cost								
Beginning of financial year	682	1,530	3,473	10,575	447	1,437	130	18,274
Currency translation differences	(1)	–	1	(22)	2	(1)	–	(21)
Additions	–	1,482	824	2,447	–	179	243	5,175
Disposals	–	–	(145)	(1,740)	(19)	(6)	–	(1,910)
Reclassification	–	–	6	–	–	87	(93)	–
End of financial year	681	3,012	4,159	11,260	430	1,696	280	21,518
Accumulated depreciation								
Beginning of financial year	12	650	1,003	5,926	218	815	–	8,624
Currency translation differences	–	–	3	(3)	1	(1)	–	–
Disposals	–	–	(109)	(1,598)	(19)	(5)	–	(1,731)
Depreciation charge (Note 5)	5	261	602	1,868	57	320	–	3,113
End of financial year	17	911	1,499	6,193	257	1,129	–	10,006
Accumulated impairment								
Beginning of financial year	–	–	1,322	–	53	–	–	1,375
Disposals	–	–	(12)	–	–	–	–	(12)
End of financial year	–	–	1,310	–	53	–	–	1,363
Net book value								
End of financial year	664	2,101	1,350	5,067	120	567	280	10,149
		Leased office space \$'000	Plant, machinery and equipment \$'000	Renovation, furniture and fittings \$'000	Motor vehicles \$'000	Office equipment and computers \$'000		Total \$'000
Company								
2020								
Cost								
Beginning of financial year	1,103		6	1,478	171	1,003		3,761
Additions	–		–	–	–	97		97
End of financial year	1,103		6	1,478	171	1,100		3,858
Accumulated depreciation								
Beginning of financial year	61		6	1,107	93	863		2,130
Depreciation charge	368		–	119	34	90		611
End of financial year	429		6	1,226	127	953		2,741
Net book value								
End of financial year	674		–	252	44	147		1,117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leased office space \$'000	Plant, machinery and equipment \$'000	Renovation, furniture and fittings \$'000	Motor vehicles \$'000	Office equipment and computers \$'000	Total \$'000
Company						
2019						
Cost						
Beginning of financial year	–	6	1,426	171	978	2,581
Additions	1,477	–	52	–	25	1,554
Disposal	(374)	–	–	–	–	(374)
End of financial year	1,103	6	1,478	171	1,003	3,761
Accumulated depreciation						
Beginning of financial year	–	6	993	59	778	1,836
Depreciation charge	61	–	114	34	85	294
End of financial year	61	6	1,107	93	863	2,130
Net book value End of financial year	1,042	–	371	78	140	1,631

- (a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 24(a).
- (b) The freehold land and building of the Group as at 31 December 2020 comprise:

Location	Use of property
Malaysia No. 17, Jalan Ekoperniagaan 1/23 Taman Ekoperniagaan 81100 Johor Bahru, Johor	Office

24. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities – 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 22).

There are no externally imposed covenant on these lease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. LEASES – THE GROUP AS A LESSEE (CONTINUED)

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	2020 \$'000	2019 \$'000
Leased office space	1,048	1,416

ROU assets classified within Investment properties

The right-of-use asset relating to the leasehold land and buildings presented under investment properties (Note 22) is stated at fair value and has a carrying amount at balance sheet date of \$94,593,000 (2019: \$65,712,000).

(b) Depreciation charge during the year

	2020 \$'000	2019 \$'000
Leased office space	368	61

(c) Interest expense

	2020 \$'000	2019 \$'000
Interest expense on lease liabilities	2,440	1,609

(d) Lease expense not capitalised in lease liabilities

	2020 \$'000	2019 \$'000
Lease expense – short-term leases	626	2,108
Lease expense – low-value leases	46	164
Variable lease payments which do not depend on an index or rate	402	262
Total (Note 5)	1,074	2,534

(e) **Total cash outflow** for all the leases was \$10,971,000 (2019: \$8,465,000).

(f) **Addition to ROU assets** during the year was \$40,176,000 (2019: \$30,486,000), of which \$40,176,000 (2019: \$29,009,000) relates to investment properties.

(g) Variable lease payments not capitalised in lease liabilities

The leases for a leasehold land and freehold building contain variable lease payments that are based on share of revenue and gross income, on top of fixed payments. Such variable lease payments are recognised to profit or loss when incurred and amounted to \$402,000 (2019: \$262,000) (Note (d)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. LEASES – THE GROUP AS A LESSEE (CONTINUED)

(h) Extension options on leases

The Group has extension options on the leases for certain student and workers accommodations. The Group's lease liabilities, which are measured with reference to estimate of the respective lease terms, included undiscounted cash outflows amounting to \$nil (2019: \$4,416,000) relating to extension option.

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

For student and workers accommodations, the following factors are considered to be most relevant:

- Whether leasehold improvements undertaken (or expected to be undertaken) are expected to have significant remaining value by the time the extension option is exercisable;
- Importance of that underlying asset to the Group's student and workers accommodation businesses, taking into consideration the location and availability of suitable alternatives; and
- Other factors, including (but not limited to) the Group's historical lease period for similar assets, costs required to secure suitable alternatives, and business disruption.

The above assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances that is within the control of the lessee occurs and affects the original assessment.

During the current financial year, management has decided not to exercise the extension option and extend the lease of a student accommodation asset in view of the ongoing COVID-19 situation. Accordingly the related lease payments for the extension periods have not been included in lease liabilities as at 31 December 2020.

As at 31 December 2020, potential future (undiscounted) cash outflows capped at approximately \$41,243,000 (2019: \$18,500,000) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

25. 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 22.

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangement in which it subleases out accommodation space to third parties for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Income from subleasing during the financial year was \$11,721,000 (2019: \$8,256,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. 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 as follows:

	2020 \$'000	2019 \$'000
Less than one year	67,951	72,636
One to two years	9,382	7,461
Two to three years	1,232	733
Three to four years	540	540
Four to five years	540	540
More than five years	6,525	7,065
Total undiscounted lease payment	86,170	88,975

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables to:				
– non-related parties	2,696	1,474	100	106
– associated companies	–	677	–	–
	2,696	2,151	100	106
Non-trade payables to:				
– associated companies	822	107	–	–
– subsidiaries	–	–	8,314	8,053
Advance rental	5,625	8,326	–	–
Deposits received	15,925	15,197	–	–
Accruals for operating expenses	9,552	10,496	2,887	3,126
Accrued construction costs payable	199	575	–	–
Other payables	2,335	3,644	248	370
Total trade and other payables	37,154	40,496	11,549	11,655

Non-trade payables to subsidiaries and associated companies are unsecured, interest free and repayable on demand.

At 31 December 2019 and 2020, 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	
	2020 \$'000	2019 \$'000
Up to 3 months	2,344	1,644
3 to 6 months	87	90
Over 6 months	265	417
	2,696	2,151

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. OTHER LIABILITIES

	Group	
	2020 \$'000	2019 \$'000
Current		
Provision for reinstatement costs	52	–
Non-current		
Provision for long service leave	60	45
Provision for reinstatement costs	430	50
Deferred revenue	–	36
	490	131

At the balance sheet date, the carrying amounts of the other non-current liabilities approximate their fair values.

28. BORROWINGS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Bank overdrafts (Note 12)	–	955	–	–
Bank borrowings (Note (a))	68,778	50,437	39,000	4,900
Loan from an associated company (Note (c))	2,160	3,008	–	–
Interest payable	850	1,380	850	1,380
	71,788	55,780	39,850	6,280
Non-current				
Bank borrowings (Note (a))	568,734	577,211	24,300	47,850
Loan from non-controlling interests (Note (d))	7,254	7,150	–	–
Loan from an associated company (Note (c))	40,168	39,320	–	–
Loan from a subsidiary (Note (d))	–	–	20,000	28,000
Notes payables (Note (b))	67,250	60,000	67,250	60,000
Less: Transaction costs	(528)	(422)	(528)	(422)
	66,722	59,578	66,722	59,578
	682,878	683,259	111,022	135,428
Total borrowings	754,666	739,039	150,872	141,708

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. BORROWINGS (CONTINUED)

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		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
– not later than one year	71,788	55,780	39,850	6,280
– between one to five years	426,481	448,636	91,022	107,428
– after five years	256,397	234,623	20,000	28,000
	754,666	739,039	150,872	141,708

At 31 December 2020 and 2019, the Group's and Company's bank borrowings are repayable as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Within one year	68,778	51,392	39,000	4,900
Between one and two years	61,909	83,014	13,615	36,650
Between two and five years	282,566	274,639	10,685	11,200
After five years	224,259	219,558	–	–
	637,512	628,603	63,300	52,750

At 31 December 2020 and 2019, the Group's and the Company's other loans are repayable as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Within one year	3,010	4,388	850	1,380
Between one and two years	15,850	7,656	12,250	–
Between two and five years	66,156	83,327	54,472	59,578
After five years	32,138	15,065	20,000	28,000
	117,154	110,436	87,572	88,958

(a) Bank borrowings

Bank borrowings are subject to floating interest rates of which \$140,979,000 (2019: \$123,982,000) are managed with interest rate swaps where floating interest rates are swapped into fixed interest rates (Note 30). The carrying amounts of the non-current borrowings approximate their fair values.

Total borrowings include secured liabilities of \$574,212,000 (2019: \$575,853,000) for the Group. These borrowings are secured over certain bank deposits (Note 12), investment properties (Note 22) and assets held for sale (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. BORROWINGS (CONTINUED)

(b) Notes payables

On 7 January 2019, the Company issued an Exchange Offer invitation ("Invitation"), offering the holders of its outstanding \$85,000,000 fixed rate notes due 2020 comprised in Series 003 (the "Existing Notes") to exchange any and all outstanding Existing Notes for a like principal amount of fixed rate notes due 2022 to be issued pursuant to its \$750,000,000 Multicurrency Debt Issuance programme (the "Programme").

On 1 February 2019, the Company issued \$56,000,000 fixed rate notes due 2022 (the "Series 004 Notes") under the Programme, comprising \$48,750,000 in aggregate principal amount issued pursuant to the Invitation and \$7,250,000 in aggregate principal amount of additional notes. The Series 004 Notes will bear interest as follows:

- (i) for the period from, and including 1 February 2019 to, but excluding, 1 February 2021: 5.5% per annum; and
- (ii) so long as the Series 004 Notes are not redeemed, for the period from, and including, 1 February 2021: 8.0% per annum payable semi-annually in arrears.

Unless previously redeemed or purchased and cancelled, the Series 004 Notes shall mature on 1 February 2022.

On 7 March 2019, the Company issued \$4,000,000 fixed rate notes due 2022 comprised in Series 004 Tranche 002 (the "Series 004 Tranche 002 Notes") under the Programme. The Series 004 Tranche 002 Notes are consolidated and form a single series with the Series 004 Notes issued on 1 February 2019 and accordingly, the aggregate principal amount of notes comprised in Series 004 is \$60,000,000.

The net proceeds arising from the Series 004 Notes (after deducting for issue expenses) has been fully utilised to redeem Series 003 Notes. On 12 April 2019, the Group has fully redeemed \$85,000,000 Series 003 Notes due 2020.

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 "Existing 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. BORROWINGS (CONTINUED)

(b) Notes payables (Continued)

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 31 December 2020 and 2019, the Group and the Company are in compliance with all relevant financial covenants and the borrowings have been classified and presented appropriately based on the agreed terms.

(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 approximate their fair values.

(d) Loan from a subsidiary and loan from non-controlling interests

The loan from a subsidiary and 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 \$884,000 (2019: \$780,000) 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		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Notes payables	67,008	60,075	67,008	60,075

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.

29. 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		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
– not later than one year	10,282	6,738	495	478
– between one to five years	29,362	27,542	426	921
– after five years	55,441	32,630	–	–
	95,085	66,910	921	1,399

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Company		
	Contractual notional amount \$'000	Fair value Asset \$'000	Liability \$'000	Contractual notional amount \$'000	Fair value Asset \$'000	Liability \$'000
31 December 2020						
<i>Derivatives held for hedging:</i>						
<i>Cash-flow hedges</i>						
– Interest rate swaps (non-current)	140,979	–	(6,655)	20,000	–	(516)
– Current			(165)			(165)
– Non-current			(6,490)			(351)
Total			(6,655)			(516)
31 December 2019						
<i>Derivatives held for hedging:</i>						
<i>Cash-flow hedges</i>						
– Interest rate swaps (non-current)	123,982	–	(1,638)	20,000	–	(276)
– Current			–			–
– Non-current			(1,638)			(276)
Total			(1,638)			(276)

The contractual notional amount of interest rate swaps held for hedging which is based on SOR is \$140,979,000 (2019: \$123,982,000).

Hedging instruments used in Group's hedging strategy in 2020

	Contractual notional amount \$'000	Carrying Amount Assets/ (Liabilities) \$'000	Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in P&L* \$'000	Weighted average hedged rate	Maturity date
Group								
<i>Cash flow hedge</i>								
Interest rate risk								
– Interest rate swap to hedge floating rate borrowings	140,979	(6,655)	Derivative financial instrument	(5,017)	5,017	–	1.73%	November 2021 to March 2025
Company								
<i>Cash flow hedge</i>								
Interest rate risk								
– Interest rate swap to hedge floating rate borrowings	20,000	(516)	Derivative financial instrument	(240)	240	–	1.94%	November 2021 to October 2022

* All hedge ineffectiveness and costs of hedging are recognised in profit and loss within "Other losses – net".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in Group's hedging strategy in 2019

		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000	Hedge ineffectiveness recognised in P&L* \$'000	Weighted average hedged rate	Maturity date
Group								
<i>Cash flow hedge</i>								
Interest rate risk								
– Interest rate swap to hedge floating rate borrowings	123,982	(1,638)	Derivative financial instrument	(1,638)	1,638	–	1.82%	November 2021 to October 2024
Company								
<i>Cash flow hedge</i>								
Interest rate risk								
– Interest rate swap to hedge floating rate borrowings	20,000	(276)	Derivative financial instrument	(276)	276	–	1.94%	November 2021 to October 2022

* All hedge ineffectiveness and costs of hedging are recognised in profit and loss within "Other losses – net".

31. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deferred income tax liabilities	9,168	9,796	83	81

Movement in the deferred income tax account is as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Beginning of financial year	9,796	8,117	81	87
Currency translation differences (Credited)/charged to profit or loss (Note 10(a))	363	(87)	–	–
Disposal of a subsidiary (Note 21(c))	(358)	1,766	2	(6)
	(633)	–	–	–
End of financial year	9,168	9,796	83	81

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31. DEFERRED INCOME TAXES (CONTINUED)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of \$7,525,000 (2019: \$8,043,000) and capital allowances of \$1,050,000 (2019: \$1,222,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Fair value gain-net \$'000	Total \$'000
2020			
Beginning of financial year	1,217	8,579	9,796
Currency translation differences	13	350	363
Charged/(credited) to profit or loss	188	(546)	(358)
Disposal of subsidiary (Note 21(c))	–	(633)	(633)
End of financial year	1,418	7,750	9,168
2019			
Beginning of financial year	503	7,614	8,117
Currency translation differences	16	(103)	(87)
Charged to profit or loss	698	1,068	1,766
End of financial year	1,217	8,579	9,796

Company

Deferred income tax liabilities

	Accelerated tax depreciation \$'000
2020	
Beginning of financial year	81
Charged to profit or loss	2
End of financial year	83
2019	
Beginning of financial year	87
Credited to profit or loss	(6)
End of financial year	81

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32. SHARE CAPITAL AND TREASURY SHARES

	Group and Company No. of ordinary shares Issued share capital '000	Group Share capital \$'000	Company Share capital \$'000
2020			
Beginning and end of financial year	840,779	142,242	253,553
2019			
Beginning and end of financial year	840,779	142,242	253,553

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.

33. OTHER RESERVES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(a) Composition				
Fair value reserve	(673)	(150)	(673)	(150)
Hedging reserve	(6,720)	(1,674)	(515)	(275)
Currency translation reserve	(35,988)	(46,201)	–	–
Capital reserve	16,893	16,893	–	–
	(26,488)	(31,132)	(1,188)	(425)
(b) Movements				
(i) Fair value reserve				
Beginning of financial year	(150)	(707)	(150)	(557)
Fair value (losses)/gains on financial assets, at FVOCI (Note 16)	(600)	386	(600)	386
Reclassification to profit or loss on disposal (Note 7)	77	171	77	21
End of financial year	(673)	(150)	(673)	(150)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

33. OTHER RESERVES (CONTINUED)

(b) Movements (Continued)

	Group		Company	
	Interest rate risk		Interest rate risk	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(ii) Hedging reserve				
Beginning of financial year	(1,674)	–	(275)	–
Fair value losses	(6,779)	(1,782)	(523)	(307)
Reclassification to profit or loss				
– Finance expense (Note 8)	1,762	144	283	32
Share of fair value losses from associates (Note 19)	(29)	(36)	–	–
End of financial year	(6,720)	(1,674)	(515)	(275)
	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(iii) Currency translation reserve				
Beginning of financial year	(46,201)	(48,924)	–	–
Net exchange differences on translation of financial statements of foreign subsidiaries, associated companies and joint venture	10,146	2,723	–	–
Disposal of subsidiary	67	–	–	–
End of financial year	(35,988)	(46,201)	–	–
	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(iv) Capital reserve				
Beginning of financial year	16,893	17,095	–	–
Redemption of non-controlling interest in subsidiary	–	(202)	–	–
End of financial year	16,893	16,893	–	–

In 2011, the consolidated financial statements of the Group represent the continuation of Westlite Dormitory (Toh Guan) Pte. Ltd. (“Westlite”) accounts, which included a shareholder loan accounted for as “Other liabilities” in Westlite’s accounts for the year ended 31 December 2010. The novation of the loan from Westlite’s former shareholder to Westlite’s new shareholder (Centurion Corporation Limited) means that the loan is effectively settled in the consolidated financial statements of the Group, recognised under “capital reserve” of the Group.

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

34. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for the accumulated retained profits of associated companies and a joint venture amounting to \$73,927,000 (2019: \$71,274,000) which are included in the Group's retained profits.
- (b) Movement in retained profits for the Company is as follows:

	Company	
	2020 \$'000	2019 \$'000
Beginning of financial year	28,423	17,942
Net profit	6,737	27,297
Dividends paid (Note 35)	(8,410)	(16,816)
End of financial year	26,750	28,423

35. DIVIDENDS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<i>Ordinary dividends paid</i>				
Interim exempt dividend paid in respect of current financial year of nil cent (2019: 1.0 cent) per share	–	8,408	–	8,408
Final exempt dividend paid in respect of the previous financial year of 1.0 cent (2019: 1.0 cent) per share	8,410	8,408	8,410	8,408
	8,410	16,816	8,410	16,816

36. COMMITMENTS

(a) Capital commitments

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

	Group	
	2020 \$'000	2019 \$'000
Property, plant and equipment	644	86
Investment properties	9,044	8,613

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

36. COMMITMENTS (CONTINUED)

(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 \$75,712,000 (2019: \$76,965,000). As at 31 December 2020, the amount of the guaranteed loans drawn down by associated companies and a joint venture amounted to \$75,289,000 (2019: \$75,467,000).

The Company has provided corporate guarantees in favour of financial institutions in respect of facilities granted to subsidiaries, associated companies and a joint venture amounting to \$592,428,000 (2019: \$580,989,000). As at 31 December 2020, the amount of the guaranteed loans drawn down by the subsidiaries, associated companies and a joint venture amounted to \$584,211,000 (2019: \$573,430,000).

As at 31 December 2020 and 2019, the fair value of the corporate guarantees were insignificant.

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

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

Financial risk management is carried out by management in accordance with the policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Currency risk

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

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), United States Dollar ("USD"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD"), Great Britain Pound ("GBP"), Hong Kong Dollar ("HKD"), and Korean Won ("KRW"). 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Group's currency exposure based on the information provided to management is as follows:

	SGD \$'000	USD \$'000	MYR \$'000	AUD \$'000	GBP \$'000	HKD \$'000	KRW \$'000	Other \$'000	Total \$'000
2020									
Financial assets									
Cash and bank balances	63,944	3,391	2,066	4,658	8,923	37	230	619	83,868
Financial assets, at FVOCI	3,717	3,062	—	—	—	—	—	—	6,779
Financial assets through profit or loss	—	24	—	—	—	—	—	—	24
Trade and other receivables	5,447	363	2,905	1,716	1,119	—	137	—	11,687
Other financial assets	1,667	—	1,817	—	—	—	12	33	3,529
Inter-company balances	452,498	962	111,455	45,003	45,374	31	1,285	2,213	658,821
	<u>527,273</u>	<u>7,802</u>	<u>118,243</u>	<u>51,377</u>	<u>55,416</u>	<u>68</u>	<u>1,664</u>	<u>2,865</u>	<u>764,708</u>
Financial liabilities									
Trade and other payables	22,230	114	3,054	1,949	3,692	8	188	294	31,529
Derivative financial instruments	6,655	—	—	—	—	—	—	—	6,655
Lease liabilities	65,412	—	26,820	—	2,853	—	—	—	95,085
Borrowings	540,063	—	25,247	65,545	122,927	—	884	—	754,666
Inter-company balances	452,498	962	111,455	45,003	45,374	31	1,285	2,213	658,821
	<u>1,086,858</u>	<u>1,076</u>	<u>166,576</u>	<u>112,497</u>	<u>174,846</u>	<u>39</u>	<u>2,357</u>	<u>2,507</u>	<u>1,546,756</u>
Net financial (liabilities)/ assets	(559,585)	6,726	(48,333)	(61,120)	(119,430)	29	(693)	358	(782,048)
Less: Net financial assets denominated in the respective entities' functional currencies	559,585	(322)	48,332	61,193	120,419	(2)	692	(352)	
Currency risk exposures	—	6,404	(1)	73	989	27	(1)	6	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

	SGD \$'000	USD \$'000	MYR \$'000	AUD \$'000	GBP \$'000	HKD \$'000	KRW \$'000	Other \$'000	Total \$'000
2019									
Financial assets									
Cash and bank balances	28,133	717	1,966	5,927	9,906	15	847	1,077	48,588
Financial assets, at FVOCI	6,046	3,119	–	–	–	–	–	–	9,165
Financial assets through profit or loss	–	49	–	–	107	–	–	–	156
Trade and other receivables	2,990	1,046	2,321	720	968	–	15	–	8,060
Other financial assets	1,811	–	4,326	–	–	–	–	33	6,170
Inter-company balances	470,531	4,411	53,855	41,072	58,292	22	74	2,286	630,543
	509,511	9,342	62,468	47,719	69,273	37	936	3,396	702,682
Financial liabilities									
Trade and other payables	21,158	104	4,341	1,403	4,739	–	190	330	32,265
Derivative financial instruments	1,638	–	–	–	–	–	–	–	1,638
Lease liabilities	63,104	–	296	–	3,510	–	–	–	66,910
Borrowings	524,966	–	25,638	63,157	125,230	–	48	–	739,039
Inter-company balances	470,531	4,411	53,855	41,072	58,292	22	74	2,286	630,543
	1,081,397	4,515	84,130	105,632	191,771	22	312	2,616	1,470,395
Net financial (liabilities)/ assets	(571,886)	4,827	(21,662)	(57,913)	(122,498)	15	624	780	(767,713)
Less: Net financial assets denominated in the respective entities' functional currencies	571,109	66	21,671	57,969	122,548	(3)	(624)	(780)	
Currency risk exposures	(777)	4,893	9	56	50	12	–	–	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Company's currency exposure based on the information provided to management is as follows:

	SGD \$'000	USD \$'000	AUD \$'000	GBP \$'000	HKD \$'000	Other \$'000	Total \$'000
2020							
Financial assets							
Cash and bank balances	28,129	13	14	54	35	2	28,247
Financial assets, at FVOCI	3,717	3,062	–	–	–	–	6,779
Trade and other receivables	16,440	126	–	81	23	44	16,714
Loans to subsidiaries	372,569	–	–	–	–	–	372,569
Other financial assets	305	–	–	–	–	–	305
	<u>421,160</u>	<u>3,201</u>	<u>14</u>	<u>135</u>	<u>58</u>	<u>46</u>	<u>424,614</u>
Financial liabilities							
Trade and other payables	11,543	–	6	–	–	–	11,549
Derivative financial instruments	516	–	–	–	–	–	516
Lease liabilities	921	–	–	–	–	–	921
Borrowings	150,872	–	–	–	–	–	150,872
	<u>163,852</u>	<u>–</u>	<u>6</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>163,858</u>
Net financial assets	257,308	3,201	8	135	58	46	260,756
Less: Net financial assets denominated in the entity's functional currency	(257,308)	–	–	–	–	–	–
Currency risk exposures	–	3,201	8	135	58	46	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

	SGD \$'000	USD \$'000	AUD \$'000	GBP \$'000	HKD \$'000	Other \$'000	Total \$'000
2019							
Financial assets							
Cash and bank balances	14,784	69	13	21	13	3	14,903
Financial assets, at FVOCI	6,046	3,119	–	–	–	–	9,165
Trade and other receivables	21,320	127	–	1	14	–	21,462
Loans to subsidiaries	372,096	–	–	–	–	–	372,096
Other financial assets	197	–	–	–	–	–	197
	<u>414,443</u>	<u>3,315</u>	<u>13</u>	<u>22</u>	<u>27</u>	<u>3</u>	<u>417,823</u>
Financial liabilities							
Trade and other payables	11,655	–	–	–	–	–	11,655
Derivative financial instruments	276	–	–	–	–	–	276
Lease liabilities	1,399	–	–	–	–	–	1,399
Borrowings	141,708	–	–	–	–	–	141,708
	<u>155,038</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>155,038</u>
Net financial assets	259,405	3,315	13	22	27	3	262,785
Less: Net financial assets denominated in the entity's functional currency	(259,405)	–	–	–	–	–	–
Currency risk exposures	–	3,315	13	22	27	3	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

If the USD, AUD, GBP, HKD and KRW change against SGD by 2% (2019: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position would be as follows:

	Increase/(Decrease)			
	2020		2019	
	Profit after tax \$'000	Other comprehensive income \$'000	Profit after tax \$'000	Other comprehensive income \$'000
Group				
USD against SGD				
– strengthened	106	(10)	122	(16)
– weakened	(106)	10	(122)	16
AUD against SGD				
– strengthened	1	3,692	1	5,338
– weakened	(1)	(3,692)	(1)	(5,338)
GBP against SGD				
– strengthened	16	4,327	1	6,577
– weakened	(16)	(4,327)	(1)	(6,577)
HKD against SGD				
– strengthened	–	32	–	–
– weakened	–	(32)	–	–
KRW against SGD				
– strengthened	–	(14)	–	(3)
– weakened	–	14	–	3

The Group has insignificant exposure to currency risk arising from MYR.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

	Increase/(Decrease)			
	2020		2019	
	Profit after tax \$'000	Other comprehensive income \$'000	Profit after tax \$'000	Other comprehensive income \$'000
Company				
USD against SGD				
– strengthened	53	–	83	–
– weakened	(53)	–	(83)	–
AUD against SGD				
– strengthened	–	–	–	–
– weakened	–	–	–	–
GBP against SGD				
– strengthened	2	–	1	–
– weakened	(2)	–	(1)	–
HKD against SGD				
– strengthened	1	–	1	–
– weakened	(1)	–	(1)	–

(ii) Price risk

The Group is exposed to debt securities price risk arising from the investments held by the Group and classified on the consolidated balance sheet as fair value through other comprehensive income. These securities are listed in Singapore.

If prices for debt securities listed in Singapore change by 1% (2019: 4%) with all other variables including tax rate being held constant, the effects on other comprehensive income will be:

	Increase/(Decrease)	
	2020	2019
	Other comprehensive income \$'000	Other comprehensive income \$'000
Group/Company		
Listed in Singapore		
– increased by	68	367
– decreased by	(68)	(367)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income is substantially independent of changes in market interest rates.

The Group's and Company's exposure to cash flow interest rate risks arise mainly from non-current variable rate borrowings. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

The Group enters into interest rate swaps as disclosed in Note 30 with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Hedge ineffectiveness may occur due to changes in the critical terms of either the interest rate swaps or the borrowings, and the effects of the forthcoming reforms to SOR, because these might take effect at a different time and have a different impact on the hedged item (the floating-rate debt) and the hedging instrument (the interest rate swap used to hedge the debt).

If the interest rates have increased/decreased by 1.0% (2019: 0.3%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by \$4,271,000 (2019: \$1,378,000).

If the interest rates have increased/decreased by 1.0% (2019: 0.3%) with all other variables including tax rate being held constant, the Company's profit after tax would have been lower/higher by \$318,000 (2019: \$82,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, where appropriate to mitigate credit risk. In addition, the Group also collects security deposits and advanced rental from its accommodation customers to manage credit risk as these can be used to offset outstanding trade receivables in the event of default. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limit that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. The Group and the Company have no major concentration of credit risk. The Company has no material third party debtors. The top five debtors of the Group represented 39% (2019: 28%) of trade receivables in 2020.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Corporate guarantees provided to banks on subsidiaries', associated companies' and a joint venture's loans	75,289	75,467	584,211	573,430

The Group's major classes of financial assets are bank and other deposits and trade and other receivables. The Company's major classes of financial assets are bank deposits, trade and other receivables and loans to subsidiaries and associates.

The movements in credit loss allowance are as follows:

	Trade receivables	
	2020 \$'000	2019 \$'000
Group		
Beginning of financial year	883	781
Loss allowance recognised in profit or loss during the year on:		
– Assets acquired/originated	1,313	177
– Reversal of unutilised amounts	(13)	–
– Currency translation	27	(1)
Written-off	(462)	(74)
End of financial year	1,748	883

Cash and cash equivalents, receivables from associated company and other receivables are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables arising from revenue from contracts.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when the assets become uncollectible.

The Group's credit risk exposure in relation to trade receivables under IFRS 9 as at 31 December 2020 and 31 December 2019 are set out as follows:

	Total	
	2020 \$'000	2019 \$'000
Group		
Sale of optical disc storage media		
Expected loss rate	28%	25%
Trade receivables	203	260
Loss allowance	58	66
Rental income from investment properties		
Expected loss rate	25%	21%
Trade receivables	6,664	3,932
Loss allowance	1,690	817

The loss allowance in relation to the trade receivables from rental income from investment properties relates to specific cases amounting to \$1,690,000 (2019: \$817,000) which have been fully provided for. For the remaining trade receivables, the credit loss allowance is considered to be insignificant as credit risk is minimised with rental deposits from customers being received in advance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

(ii) Receivables from subsidiaries

	Receivables from subsidiaries \$'000	Loans to subsidiaries \$'000	Total \$'000
Company			
2020			
Beginning of financial year	78	9,666	9,744
Loss allowance recognised in profit or loss during the year on:			
– Reversal of unutilised amounts	(78)	(3,847)	(3,925)
End of financial year	–	5,819	5,819
2019			
Beginning of financial year	1,636	11,949	13,585
Loss allowance recognised in profit or loss during the year on:			
– Assets acquired/originated	78	–	78
– Reversal of unutilised amounts	–	(64)	(64)
Written-off	(1,636)	(2,219)	(3,855)
End of financial year	78	9,666	9,744

Cash and bank deposits, receivables from associated companies and other receivables are subject to immaterial credit loss.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of IFRS 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

Management monitors rolling forecasts of the liquidity reserve (comprises cash and bank deposits (Note 12)) of the Group and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Group				
2020				
Trade and other payables	31,529	—	—	—
Lease liabilities	13,359	12,827	26,760	69,303
Borrowings	96,584	79,406	376,022	262,550
Financial guarantee contracts (Note 37(b))	75,289	—	—	—
2019				
Trade and other payables	32,170	—	—	—
Lease liabilities	8,975	10,444	20,725	41,949
Borrowings	76,475	112,486	395,010	247,306
Financial guarantee contracts (Note 37(b))	75,467	—	—	—
Company				
2020				
Trade and other payables	11,549	—	—	—
Lease liabilities	520	455	—	—
Borrowings	53,907	17,684	73,801	20,975
Financial guarantee contracts (Note 37(b))	584,211	—	—	—
2019				
Trade and other payables	11,655	—	—	—
Lease liabilities	520	975	—	—
Borrowings	8,781	42,080	75,698	31,332
Financial guarantee contracts (Note 37(b))	573,430	—	—	—

The financial guarantee contracts maturing in less than 1 year are \$75,289,000 (2019: \$75,467,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The table below analyses the derivative financial instruments of the Group and the Company for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000
Group			
2020			
Net-settled interest rate swaps – cash flow hedges			
– Net cash outflows	(2,405)	(2,129)	(2,924)
2019			
Net-settled interest rate swaps – cash flow hedges			
– Net cash outflows	(362)	(344)	(635)
Company			
2020			
Net-settled interest rate swaps – cash flow hedges			
– Net cash outflows	(348)	(149)	–
2019			
Net-settled interest rate swaps – cash flow hedges			
– Net cash outflows	(67)	(64)	(31)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a net gearing ratio. The net gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and bank balances. Total capital is calculated as borrowings plus net assets of the Group.

The net gearing ratios are computed as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net debt	670,798	690,451	122,625	126,805
Total capital	1,383,451	1,352,904	429,987	423,259
Net gearing ratio	48%	51%	29%	30%

Financial covenants relating to the Group's and Company's borrowings include debt service coverage ratio, loan to value ratio, consolidated total equity, and consolidated net borrowings to consolidated total equity ratio.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2019 and 2020.

(e) Fair value measurements

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group			
2020			
Financial assets, at FVOCI	6,779	–	–
Financial assets, at fair value through profit or loss	–	–	24
Derivative financial instruments – liabilities	–	6,655	–
2019			
Financial assets, at FVOCI	9,165	–	–
Financial assets, at fair value through profit or loss	–	–	156
Derivative financial instruments – liabilities	–	1,638	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (Continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Company			
2020			
Financial assets, at FVOCI	6,779	–	–
Derivative financial instruments – liabilities	–	516	–
2019			
Financial assets, at FVOCI	9,165	–	–
Derivative financial instruments – liabilities	–	276	–

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 and Company 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 16, Note 18 and Note 30 to the financial statements, except for the following:

	Group \$'000	Company \$'000
2020		
Financial assets, at amortised cost	99,084	417,835
Financial liabilities at amortised cost	881,280	163,342
2019		
Financial assets, at amortised cost	62,818	408,658
Financial liabilities at amortised cost	838,119	154,762

38. 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	
	2020 \$'000	2019 \$'000
Services provided to immediate holding corporation	83	89
Services provided to associated companies	2,129	2,200
Purchases from a company which a director has an interest	111	6
Purchases from associated companies	–	697
Interest charged by associated company	826	1,416
Interest charged by non-controlling interest	124	215

Outstanding balances at 31 December 2020 and 2019 arising from sales and purchases of goods are set out in Notes 13 and 26.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

38. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2020 \$'000	2019 \$'000
Wages and salaries	4,132	4,546
Employer's contribution to defined contribution plans, including Central Provident Fund	138	143
	4,270	4,689

Included in above, total compensation to directors of the Company amounted to \$1,939,000 (2019: \$1,561,000).

39. 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 manufacture and sale of optical discs and related data storage products ("Others").

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39. SEGMENT INFORMATION (CONTINUED)

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

	Workers accommodation \$'000	Student accommodation \$'000	Others \$'000	Total \$'000
Year ended 31 December 2020:				
Revenue:				
Sales to external parties	91,537	35,768	1,050	128,355
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	4,572	563	958	6,093
– Over time	3,362	1,569	–	4,931
Segment results	55,582	14,469	(342)	69,709
Loss on disposal of investment properties	–	(97)	–	(97)
Gain on disposal of a subsidiary	–	–	1,398	1,398
Finance expenses	(14,207)	(9,112)	–	(23,319)
Interest income				875
Fair value losses on investment properties	(10,247)	(17,394)	–	(27,641)
Share of profit of associated companies and joint venture	4,054	660	105	4,819
Profit before tax				25,744
Income tax expense				(7,033)
Net profit				18,711
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
Other segment items:				
Capital expenditure	7,775	5,106	–	12,881
Depreciation	2,228	1,050	35	3,313

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39. SEGMENT INFORMATION (CONTINUED)

	Workers accommodation \$'000	Student accommodation \$'000	Others \$'000	Total \$'000
Year ended 31 December 2019:				
Revenue:				
Sales to external parties	86,114	45,800	1,439	133,353
Timing of revenue recognition in relation to revenue from contracts with customers				
– Point in time	3,514	1,566	1,177	6,257
– Over time	683	1,473	–	2,156
Segment results	52,230	19,042	296	71,568
Finance expenses	(18,557)	(10,201)	(1)	(28,759)
Interest income				1,137
Fair value gains/(losses) on investment properties and assets held for sale	66,424	(180)	22	66,266
Share of profit/(loss) of associated companies and joint venture	5,213	(4,372)	(52)	789
Profit before tax				111,001
Income tax expense				(7,213)
Net profit				103,788
Segment assets	796,522	528,172	6,081	1,330,775
Short-term bank deposits				24,611
Financial assets, at FVOCI				9,165
Tax recoverable				679
Investments in associated companies	77,245	30,555	1,118	108,918
Investment in a joint venture	–	4,819	–	4,819
Consolidated total assets				1,478,967
Segment liabilities	82,792	26,220	163	109,175
Borrowings	453,165	285,874	–	739,039
Current income tax liabilities				7,092
Deferred income tax liabilities				9,796
Consolidated total liabilities				865,102
Other segment items:				
Capital expenditure	5,682	35,778	–	41,460
Depreciation	2,040	1,038	35	3,113

Segment assets consist primarily of property, plant and equipment, investment property, inventories, receivables, other current assets and operating cash, and exclude 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

39. SEGMENT INFORMATION (CONTINUED)

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 student accommodation, provision of management services and manufacture and sale of optical discs;
- 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.

	Revenue	
	2020	2019
	\$'000	\$'000
Singapore	84,252	80,524
Australia	8,442	12,435
Malaysia	10,954	10,172
United Kingdom	22,447	27,642
United States of America	1,482	1,379
Other countries	778	1,201
	128,355	133,353

	Non-current assets	
	2020	2019
	\$'000	\$'000
Singapore	749,500	761,300
Australia	169,314	160,578
Malaysia	142,877	100,183
United Kingdom	335,336	338,747
United States of America	29,764	29,279
Other countries	5,923	10,828
	1,432,714	1,400,915

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

40. IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The Company's immediate holding corporation is Centurion Properties Pte Ltd, incorporated in Singapore. The ultimate holding corporation is Centurion Global Ltd, incorporated in the British Virgin Islands.

41. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not early adopted.

Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: *Interest Rate Benchmark Reform – Phase 2* (effective for annual periods beginning on or after 1 January 2021)

Hedge relationships

As described in Note 2.1, the Group adopted the 'Phase 1' amendments on 1 January 2020 which provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform.

The 'Phase 2' amendments, which will become effective for the Group for the annual period beginning 1 January 2021, address issues arising during interest rate benchmark reform, including specifying when the 'Phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted.

Financial instruments and lease liabilities

For financial instruments measured using amortised cost measurement, the 'Phase 2' amendments provide a practical expedient which require changes to the basis for determining the contractual cash flows required by interest rate benchmark reform to be reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. This practical expedient exists for lease liabilities as well. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

The Group does not expect any significant impact arising from applying these amendments.

42. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Centurion Corporation Limited on 17 March 2021.

FIVE-YEAR SUMMARY

A summary of the results, assets and liabilities and non-controlling interests of the Group for the last five years ended 31 December, as extracted from the published annual reports is set out below:

Results

	2016 S\$'000	2017 S\$'000	2018 S\$'000	2019 S\$'000	2020 S\$'000
Revenue	120,537	137,113	120,070	133,353	128,355
Net profit from Core Business					
Operations attributable to equity holders of the Company	38,586	44,331	34,271	38,232	41,320
Earnings per share from Core Business					
Operations (in SGD cents)	5.19	5.83	4.08	4.55	4.91

Assets and Liabilities

	2016 S\$'000	2017 S\$'000	2018 S\$'000	2019 S\$'000	2020 S\$'000
Non-current assets	1,015,900	1,075,676	1,227,750	1,400,915	1,432,714
Current assets	103,834	113,315	93,990	78,052	108,998
Total assets	1,119,734	1,188,991	1,321,740	1,478,967	1,541,712
Total liabilities	720,252	713,258	796,789	865,102	912,927
Non-controlling interests	6,884	12,806	17,636	21,674	23,189
Total equity attributable to equity holders of the Company	392,598	462,927	507,315	592,191	605,596

STATISTICS OF SHAREHOLDINGS

AS AT 5 MARCH 2021

Class of shares	: Ordinary Shares
Issued and fully paid-up capital	: S\$202,441,222.11
Number of shares issued	: 840,778,624
Voting rights	: One vote per share

Treasury Shares and Subsidiary Holdings

The Company does not hold any treasury shares and has no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	130	2.57	6,292	0.00
100 – 1,000	779	15.36	334,494	0.04
1,001 – 10,000	2,408	47.50	12,005,835	1.43
10,001 – 1,000,000	1,728	34.08	89,240,451	10.61
1,000,001 and above	25	0.49	739,191,552	87.92
	5,070	100.00	840,778,624	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	DB Nominees (Singapore) Pte Ltd	325,319,416	38.69
2.	HKSCC Nominees Limited	130,076,839	15.47
3.	UOB Kay Hian Pte Ltd	117,019,687	13.92
4.	CGS-CIMB Securities (Singapore) Pte Ltd	31,318,534	3.72
5.	Citibank Nominees Singapore Pte Ltd	29,433,225	3.50
6.	DBS Nominees Pte Ltd	21,008,905	2.50
7.	Centurion Properties Pte Ltd	20,756,126	2.47
8.	United Overseas Bank Nominees Pte Ltd	17,070,049	2.03
9.	Raffles Nominees (Pte) Limited	9,477,675	1.13
10.	OCBC Nominees Singapore Pte Ltd	5,189,073	0.62
11.	Goh Kai Kui	4,800,000	0.57
12.	Maybank Kim Eng Securities Pte. Ltd	4,459,718	0.53
13.	Phillip Securities Pte Ltd	3,103,192	0.37
14.	OCBC Securities Private Ltd	2,789,577	0.33
15.	Lee Joh Ern	2,295,625	0.27
16.	Ho Han Khoon	2,010,000	0.24
17.	Jack Investment Pte Ltd	1,766,000	0.21
18.	Tan Chong Meng	1,760,800	0.21
19.	Lin Heng Yu	1,600,000	0.19
20.	Heng Siew Eng	1,573,700	0.19
	Total	732,828,141	87.16

STATISTICS OF SHAREHOLDINGS

AS AT 5 MARCH 2021

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	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
Loh Kim Kang David ⁽⁴⁾	37,986,350	4.52	425,956,126	50.66	463,942,476	55.18
Han Seng Juan ⁽⁵⁾	33,877,600	4.03	433,703,626	51.58	467,581,226	55.61
Teo Peng Kwang ⁽⁶⁾	63,723,330	7.58	–	–	63,723,330	7.58

Notes:

- (1) Based on **840,778,624** issued ordinary shares (excluding treasury shares) as at 5 March 2021.
- (2) Of the 425,756,126 shares held by Centurion Properties Pte Ltd (“**Centurion Properties**”), 310,000,000 shares are registered in the name of DB Nominees (Singapore) Pte Ltd, 95,000,000 shares are registered in the name of UOB Kay Hian Private Limited and 20,756,126 shares are registered in its own name.
- (3) Centurion Properties is a wholly-owned subsidiary of Centurion Global Ltd (“**Centurion Global**”). Centurion Global is, therefore, deemed to have an interest in 425,756,126 shares held by Centurion Properties.
- (4) Loh Kim Kang David (“**Mr. Loh**”) holds a 50% shareholding interest in Centurion Global. Mr. Loh is, therefore, deemed to have an interest in 425,756,126 shares held by Centurion Properties, a wholly-owned subsidiary of Centurion Global. Mr. Loh is also deemed to have an interest in 200,000 shares held by his spouse, Wong Wan Pei.

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) 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. Mr. Han is also deemed to have an interest in 7,947,500 shares held by his spouse, Kang Lee Cheng Susanna, which are registered in the name of DB Nominees (Singapore) Pte Ltd.

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.

- (6) 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.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 5 March 2021, approximately 30.89% of the total number of issued shares (excluding treasury shares) of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual and Rule 8.08 of the SEHK Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

CENTURION CORPORATION LIMITED

勝捷企業有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

(SGX Stock Code: OU8)

(SEHK Stock Code: 6090)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM” or “Meeting”) of **CENTURION CORPORATION LIMITED** (the “Company”) will be held: (a) in Singapore, by way of electronic means (for Singapore shareholders); and (b) in Hong Kong, via video-conferencing at 5/F, International Trade Tower, 348 Kwun Tong Road, Kowloon, Hong Kong (for Hong Kong shareholders) on 27 April 2021 (Tuesday) at 10:00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2020 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to Regulation 89 of the Company’s Constitution:
 - (a) Mr. Han Seng Juan
[See Explanatory Note (i)] **(Resolution 2)**
 - (b) Mr. Gn Hiang Meng
[See Explanatory Note (ii)] **(Resolution 3)**
 - (c) Mr. Chandra Mohan s/o Rethnam
[See Explanatory Note (iii)] **(Resolution 4)**
3. That:
 - (a) the continued appointment of Mr. Gn Hiang Meng, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (which will take effect from 1 January 2022), be and is hereby approved by shareholders; and
 - (b) the authority conferred by this Resolution shall continue in force until the earlier of the following:
 - (i) the retirement or resignation of Mr. Gn Hiang Meng as a Director; or
 - (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.
[See Explanatory Note (ii)] **(Resolution 5)**

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

4. That:
 - (a) the continued appointment of Mr. Gn Hiang Meng, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), be and is hereby approved by shareholders, excluding the Directors and the chief executive officer ("CEO") of the Company, and associates of such Directors and CEO; and
 - (b) the authority conferred by this Resolution shall continue in force until the earlier of the following:
 - (i) the retirement or resignation of Mr. Gn Hiang Meng as a Director; or
 - (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (ii)] **(Resolution 6)**
5. That:
 - (a) the continued appointment of Mr. Chandra Mohan s/o Rethnam, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), be and is hereby approved by shareholders; and
 - (b) the authority conferred by this Resolution shall continue in force until the earlier of the following:
 - (i) the retirement or resignation of Mr. Chandra Mohan s/o Rethnam as a Director; or
 - (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (iii)] **(Resolution 7)**
6. That:
 - (a) the continued appointment of Mr. Chandra Mohan s/o Rethnam, as an Independent Non-Executive Director, for purposes of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), be and is hereby approved by shareholders, excluding the Directors and the CEO of the Company, and associates of such Directors and CEO; and
 - (b) the authority conferred by this Resolution shall continue in force until the earlier of the following:
 - (i) the retirement or resignation of Mr. Chandra Mohan s/o Rethnam as a Director; or
 - (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (iii)] **(Resolution 8)**
7. To approve the payment of Directors' fees of up to S\$422,875 for the financial year ending 31 December 2021, to be paid quarterly in arrears (FY2020: up to S\$525,000).

[See Explanatory Note (iv)] **(Resolution 9)**
8. To re-appoint PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 10)**
9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

10. Share Issue Mandate

"That pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), Rule 806 of the Listing Manual of the SGX-ST and the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited ("**SEHK**"), the Directors of the Company be authorised and empowered to:

- A. (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise, and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- B. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST and SEHK) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of convertible securities which were issued and outstanding or subsisting at the time of the passing of this Resolution;
 - (b) new shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST and the Listing Rules of the SEHK for the time being in force (unless such compliance has been waived by the SGX-ST and SEHK) and the Constitution for the time being of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (v)]

(Resolution 11)

11. Renewal of Share Purchase Mandate

“That:

- (a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all the powers to purchase or otherwise acquire issued shares in the capital of the Company from time to time of not exceeding in aggregate the Prescribed Limit (as hereinafter defined) at the price of up to but not exceeding the Maximum Price (as hereinafter defined), whether by way of:
- (i) on-market purchases (each an **“On-Market Share Purchase”**) on the SGX-ST and/or SEHK, through the ready markets, through one or more duly licensed stock brokers appointed by the Company for such purpose; and/or
 - (ii) off-market purchases (each an **“Off-Market Share Purchase”**) effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act, Listing Manual of the SGX-ST and Listing Rules of the SEHK, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **“Share Purchase Mandate”**);

- (b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held; or
 - (ii) the date by which the next AGM of the Company is required by law to be held; or
 - (iii) the date on which the purchases of shares by the Company have been carried out to the full extent mandated;

- (c) for the purpose of this Resolution:

“Prescribed Limit” means ten percent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution; and

“Maximum Price” in relation to a share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, one hundred and five percent (105%) of the Average Closing Price (as hereinafter defined); and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) in the case of an Off-Market Share Purchase, one hundred and twenty percent (120%) of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a share of the Company over the last five (5) Market Days (**“Market Day”** being a day on which the SGX-ST or the SEHK, as the case may be, is open for securities trading), on which transactions in the shares of the Company were recorded, immediately preceding the date of making the On-Market Share Purchase, or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchase is made;

- (d) the Directors of the Company and each of them be and are hereby authorised to deal with the shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they or he may think fit, which is allowable under the Companies Act, Listing Manual of the SGX-ST and the Listing Rules of the SEHK; and
- (e) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider expedient, necessary, incidental or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

[See Explanatory Note (vi)]

(Resolution 12)

By Order of the Board

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore, 24 March 2021

Headquarters and Principal Place of Business
45 Ubi Road 1, #05-01
Singapore 408696

Principal Place of Business in Hong Kong
Room 5705, 57th floor
The Center, 99 Queen’s Road Central, Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Ordinary Resolution 2 is to re-elect Mr. Han Seng Juan (“**Mr. Han**”) as a Non-Executive Director of the Company. Mr. Han will, upon re-election, remain as Non-Executive Director and Joint Chairman of the Board. He is a controlling shareholder of the Company. Save as disclosed in the Company’s Annual Report and the circular to shareholders accompanying this Notice of AGM (the “**Circular**”), there are no relationships (including immediate family relationships) between Mr. Han and the other Directors, substantial shareholder of the Company or the Company.
- (ii) Ordinary Resolution 3 is to re-elect Mr. Gn Hiang Meng (“**Mr. Gn**”), an Independent Non-Executive Director (“**Independent Director**”) who has served on the Board for more than nine (9) years from the date of his first appointment on 17 May 2007.

With effect from 1 January 2022, a director who has served on the board for an aggregate period of more than nine (9) years will no longer be eligible to be designated as an independent director unless his continued appointment as an independent director has been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the CEO of the company, and associates of such directors and CEO (as required by Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022) prior to 1 January 2022.

For purposes of the aforesaid Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, (i) Ordinary Resolution 5 is to seek approval from shareholders of the Company; and (ii) Ordinary Resolution 6 is to seek approval from shareholders of the Company, excluding the Directors and the CEO of the Company, and associates of such Directors and CEO, for the continued appointment of Mr. Gn, as an Independent Director of the Company, for a term of three (3) years, with effect from the passing of Ordinary Resolutions 5 and 6, until the conclusion of the third AGM of the Company following the passing of these Resolutions or the retirement or resignation of Mr. Gn, whichever is the earlier.

Accordingly, the Directors and the CEO of the Company, and their respective associates, will abstain from voting on Ordinary Resolution 6.

If all of Ordinary Resolutions 3, 5 and 6 are duly approved, Mr. Gn will, upon re-election as an Independent Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee. He will be considered independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST and Rule 3.13 of the Listing Rules of the SEHK. There are no relationships (including immediate family relationships) between Mr. Gn and the other Directors, substantial shareholders of the Company or the Company.

If Ordinary Resolution 3 is duly approved, but Ordinary Resolution 5 and/or Ordinary Resolution 6 is/are not approved, Mr. Gn will, upon re-election, remain as a Non-Executive and Non-Independent Director.

If Ordinary Resolution 3 is not duly approved, Mr. Gn will cease to be a Director with effect from the date of the AGM of the Company, notwithstanding that Ordinary Resolution 5 and/or Ordinary Resolution 6 may be approved by shareholders at the AGM of the Company.

- (iii) Ordinary Resolution 4 is to re-elect Mr. Chandra Mohan s/o Rethnam (“**Mr. Mohan**”), an Independent Director who has served on the Board for more than nine (9) years from the date of his first appointment on 17 May 2007.

With effect from 1 January 2022, a director who has served on the board for an aggregate period of more than nine (9) years will no longer be eligible to be designated as an independent director unless his continued appointment as an independent director has been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the CEO of the company, and associates of such directors and CEO (as required by Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022) prior to 1 January 2022.

For purposes of the aforesaid Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, (i) Ordinary Resolution 7 is to seek approval from shareholders of the Company; and (ii) Ordinary Resolution 8 is to seek approval from shareholders of the Company, excluding the Directors and the CEO of the Company, and associates of such Directors and CEO, for the continued appointment of Mr. Mohan, as an Independent Director of the Company, for a term of three (3) years, with effect from the passing of Ordinary Resolutions 7 and 8, until the conclusion of the third AGM of the Company following the passing of these Resolutions or the retirement or resignation of Mr. Mohan, whichever is the earlier.

Accordingly, the Directors and the CEO of the Company, and their respective associates, will abstain from voting on Ordinary Resolution 8.

If all of Ordinary Resolutions 4, 7 and 8 are duly approved, Mr. Mohan will, upon re-election as an Independent Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee. He will be considered independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST and Rule 3.13 of the Listing Rules of the SEHK. There are no relationships (including immediate family relationships) between Mr. Mohan and the other Directors, substantial shareholders of the Company or the Company.

If Ordinary Resolution 4 is duly approved, but Ordinary Resolution 7 and/or Ordinary Resolution 8 is/are not approved, Mr. Mohan will, upon re-election, remain as Non-Executive and Non-Independent Director.

If Ordinary Resolution 4 is not duly approved, Mr. Mohan will cease to be a Director with effect from the date of the AGM of the Company, notwithstanding that Ordinary Resolution 7 and/or Ordinary Resolution 8 may be approved by shareholders at the AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) Ordinary Resolution 9, if passed, will authorise the Company to make payment of fees to the Directors (including fees payable to members of the various Board Committees) for the financial year ending 31 December 2021 ("FY2021") on a quarterly basis in arrears, for their services rendered during the course of the financial year. This will facilitate Directors' compensation for services rendered in a more timely manner.

In view of the uncertainty amidst the Covid-19 pandemic and continued challenges ahead, the Directors of the Company have agreed to take a voluntary 15% reduction in Directors' fees for FY2021, as part of the Company's measures to strengthen cash flow management and controls to conserve cash, subject to review at the end of FY2021.

- (v) Ordinary Resolution 11, if passed, will empower the Directors of the Company from the date of the forthcoming AGM until the date of the next AGM to issue shares and/or to make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding fifty percent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.
- (vi) Ordinary Resolution 12, if passed, will empower the Directors of the Company from the date of the forthcoming AGM until the date of the next AGM to purchase issued ordinary shares of the Company by way of On-Market Share Purchase or Off-Market Share Purchase of not exceeding in aggregate the Prescribed Limit at the Maximum Price in accordance with the terms and conditions set out in the Circular, the Companies Act, the Listing Manual of the SGX-ST and the Listing Rules of the SEHK.

The Company intends to use internal sources of funds or borrowings, or a combination of internal resources and external borrowings, to finance its purchase or acquisition of shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on whether the shares are purchased or acquired out of capital or profits, the number of shares purchased or acquired and the price at which such shares are purchased or acquired.

The financial effects of the purchase or acquisition of such shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 December 2020 based on these assumptions are set out in paragraph 4.7 of the Circular.

Please refer to the Circular for details.

- * Information on the Directors who are proposed to be re-elected can be found under the section entitled "Board of Directors" in the Annual Report 2020 and also in the Circular.

IMPORTANT NOTICE ON THE FORTHCOMING AGM ARRANGEMENTS IN LIGHT OF THE CORONAVIRUS DISEASE 2019 ("COVID-19")

The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the AGM physically in person (in Singapore). Shareholders will also not be able to vote online on the resolutions to be tabled for approval at the AGM.

This notice sets out the Company's arrangements relating to, among others, (i) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), (ii) submission of questions prior to the AGM, (iii) addressing of substantial and relevant questions prior to or at the AGM and (iv) voting by appointing the Chairman of the Meeting as proxy at the AGM.

Notes:

1. Participation in the AGM by Electronic Means and Pre-Registration

- (a) Members of the Company ("Shareholders" or "Members") (including investors holding shares through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS Investors")) who wish to participate in the AGM via live audio-visual webcast or live audio-only stream ("2021 AGM Live Webcast") are required to pre-register (the "Pre-Registration") through the investor relations ("IR") web page under submenu "AGM" on the Company's website at URL:

<http://app.centurioncorp.com.sg/agm/registration.aspx>

by 10:00 am on 24 April 2021 ("Registration Cut-off Time") to enable the Company to verify their status as Shareholders.

- (b) After successful verification, authenticated Shareholders will receive an email invitation by 25 April 2021. The email invitation will be sent to the email address submitted during the online Pre-Registration which will contain a unique link/credentials and/or telephone number to access the 2021 AGM Live Webcast. No password will be required but Shareholders are only allowed to access the 2021 AGM Live Webcast using the pre-registered email address/telephone number.

NOTICE OF ANNUAL GENERAL MEETING

- (c) Shareholders must not forward the unique link/credentials to other persons who are not Shareholders and who are not permitted to attend the AGM proceedings. This is also to avoid any technical disruptions or overload to the 2021 AGM Live Webcast.
- (d) Shareholders who have registered by the Registration Cut-off Time but do not receive an email invitation by 25 April 2021 should contact the Company's IR team via email at agm@centurioncorp.com.sg as soon as possible.

Investors Holding Shares through Relevant Intermediaries – Pre-registration for 2021 AGM Live Webcast (including pre-submission of questions)

- (e) Investors holding shares through relevant intermediaries (other than CPF/SRS Investors) will not be able to pre-register for the 2021 AGM Live Webcast directly with the Company. Such investors who wish to participate in the 2021 AGM Live Webcast (including pre-submission of questions) should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the relevant intermediaries to make the necessary arrangements to pre-register.

THE COMPANY WILL NOT ACCEPT ANY PHYSICAL ATTENDANCE BY SHAREHOLDERS IN SINGAPORE.

2. Shareholders to Appoint the Chairman of the Meeting as Proxy

- (a) Shareholders will not be able to vote online on the resolutions to be tabled for approval at the AGM.
- (b) Shareholders in Hong Kong (whether individual or corporate) who wish to exercise their voting rights at the AGM are encouraged to appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
- (c) Shareholders in Singapore and Shareholders in Hong Kong without attending the AGM in person in Hong Kong (whether individual or corporate) who wish to exercise their voting rights at the AGM must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
- (d) In the appointment of the Chairman of the Meeting as proxy, Shareholders must give specific instructions as to voting, or abstentions from voting, in respect of each of the resolutions in the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**"), failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
- (e) The Chairman of the Meeting, as proxy, need not be a member of the Company.

Investors Holding Shares through Relevant Intermediaries (including CPF/SRS Investors) – Proxy Appointment

- (f) The Proxy Form is not valid for use by investors holding shares through relevant intermediaries (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.
- (g) Investors holding shares through a clearing house (or its nominee(s)) or relevant intermediaries (other than CPF/SRS Investors) who wish to appoint the Chairman of the Meeting as proxy should instead approach the clearing house (or its nominee(s)) or their relevant intermediaries as soon as possible to submit their votes.
- (h) CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes (including pre-submission of questions) by 10:00 am on 16 April 2021, being at least seven (7) working days before the date of the AGM.

Corporate Shareholder

- (i) If the appointor is a corporation, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

Submission of Proxy Form

- (j) The Proxy Form appointing the Chairman of the Meeting as proxy, duly completed and signed, must be submitted to the Company no later than **10:00 am on 24 April 2021**, being 72 hours before the time appointed for holding the AGM, in the following manner:
 - by depositing a physical copy at the registered office of the Company at 45 Ubi Road 1, #05-01 Singapore 408696 (for Singapore Shareholders) or the office of the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders); or
 - by sending a scanned PDF copy via email to agm@centurioncorp.com.sg,
 failing which the instrument may be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

3. Submission of Questions prior to the AGM

- (a) Shareholders who have any questions in relation to the items of the agenda of the AGM should send them in advance, by the Registration Cut-Off Time, via any of the following options:
- Annex your questions with your Proxy Forms.
 - Submit your questions in the text box provided during the 2021 AGM Live Webcast Pre-Registration process.
 - Email your questions with your name and identification number (for Singapore Shareholders)/your name and address (for Hong Kong Shareholders) to agm@centurioncorp.com.sg.
- (b) The Company will endeavour to respond to substantial and relevant questions received from Shareholders prior to the AGM or during the AGM proceedings/2021 AGM Live Webcast, and subsequent to the AGM, will also publish such questions from Shareholders and responses from the Company on the Company's website and on the websites of the SGX-ST and SEHK. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.
- (c) Shareholders will also be able to ask questions through the live audio-visual webcast stream at the AGM.

4. Precautionary measures for the AGM to be held in Hong Kong via video-conferencing

In view of the COVID-19 situation, and to better protect the safety and health of the Shareholders and other participants attending the AGM in Hong Kong via video-conferencing, the Company will implement the following precautionary measures at the AGM venue in Hong Kong:

- For Shareholders attending the AGM in Hong Kong, every attendee will be required to wear a surgical face mask throughout the AGM.
- All attendees will be required to undergo a temperature check and sign a health declaration form before entering the AGM venue in Hong Kong.
- Any person who has a fever or exhibiting flu-like symptoms or is subject to any Hong Kong Government prescribed quarantine will not be given access to the AGM venue in Hong Kong.
- Any person who has and/or his/her family members has travelled outside of Hong Kong within the 21-day period immediately before the AGM may be denied entry into the AGM venue in Hong Kong.
- No distribution of corporate gift and no refreshment will be served at the AGM.
- Seating at the AGM venue in Hong Kong will be arranged in a manner to allow for appropriate social distancing. The Company will limit the number of attendees at the AGM as may be necessary to avoid over-crowding according to the requirements regarding group gatherings as set by the Hong Kong Government from time to time.

Shareholders in Hong Kong who prefer not to attend or are restricted from attending the AGM, may still vote by appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM and are advised to take note of Note 2 above "Shareholders to Appoint the Chairman of the Meeting as Proxy".

The Company will closely monitor the situation and reserves the right to take further measures as appropriate in order to minimise any risk to Shareholders and others attending the AGM in Hong Kong.

5. Closure of Register of Members in Hong Kong

The Hong Kong branch share register will be closed from 22 April 2021 to 27 April 2021, both days inclusive, during which period no transfer of shares will be registered in Hong Kong, for determining the entitlement of Shareholders to attend and vote at the AGM. All transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 pm on 21 April 2021.

6. Despatch of Documents

- (a) Printed copies of this Notice of AGM together with the Proxy Form have been sent to Shareholders. These documents are also available for download from the Company's website at the URL www.centurioncorp.com.sg or, the website of SGX-ST or, the website of SEHK.
- (b) The Annual Report 2020 and Circular to Shareholders dated 24 March 2021 have been published on the Company's website (www.centurioncorp.com.sg) and on the websites of the SGX-ST (www.sgx.com) and SEHK (www.hkexnews.hk).
- (c) Printed copies of the Annual Report 2020 and Circular to Shareholders dated 24 March 2021 will be despatched to shareholders in Hong Kong, and made available to Shareholders in Singapore upon request. Please refer to the letter dated 24 March 2021 with a Request Form sent to Shareholders in Singapore on how to make a request.
- (d) For more information relating to the AGM, Shareholders should check the websites of SGX-ST and SEHK for updates (if any) or call the Company's IR team, David Phey/George Goh, at +65 9182 7171/9767 7386. Shareholders are advised to check the Company's website and the websites of the SGX-ST and SEHK regularly for updates.

NOTICE OF ANNUAL GENERAL MEETING

7. Pursuant to Regulation 59 of the Company's Constitution, all resolutions to be put to vote at the AGM (and at any adjournment thereof) shall be decided by way of poll as required by the Listing Manual of SGX-ST and the Listing Rules of SEHK.
8. **"Relevant Intermediary"** has the meaning ascribed to it in Section 181 of the Companies Act.
9. Any reference to a time of day is made by reference to Singapore time.

Personal data privacy:

"Personal data" has the same meaning ascribed to it in the Personal Data Protection Act 2012 of Singapore, which includes name, address, NRIC/passport number of a Member and proxy(ies) and/or representative(s) of a Member.

By (a) submitting a Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the Pre-Registration in accordance with this Notice of AGM, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

- i) processing, administration and analysis by the Company (or its agents or service providers) of Proxy Forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof);*
- ii) processing of the Pre-Registration for purposes of granting access to Members to the 2021 AGM Live Webcast and providing them with any technical assistance where necessary;*
- iii) addressing substantial and relevant questions from Members received before the AGM and if necessary, following up with the relevant Members in relation to such questions;*
- iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and*
- v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.*

CENTURION CORPORATION LIMITED

勝捷企業有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

(SGX Stock Code: OU8)

(SEHK Stock Code: 6090)

IMPORTANT:

1. The Annual General Meeting ("AGM" or "Meeting") of Centurion Corporation Limited is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Due to the current COVID-19 restriction orders in Singapore, **shareholders will not be able to attend the AGM physically in person (in Singapore)**. Shareholders will also not be able to vote online on the resolutions to be tabled for approval at the AGM.
2. Members in Hong Kong (whether individual or corporate) who wish to exercise their voting rights at the AGM are encouraged to appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
3. **A member in Singapore and a member in Hong Kong without attending the AGM in person in Hong Kong (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy** to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/ its voting rights at the AGM.
4. The Proxy Form is not valid for use by investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Cap. 50) of Singapore) (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 10:00 am on 16 April 2021**.

ANNUAL GENERAL MEETING

PROXY FORM

(Please read notes overleaf before completing this form)

I/We, _____ (Name) _____ (NRIC/HKID/Passport/Registration No.)

of _____ (Address)

being a member/members of **CENTURION CORPORATION LIMITED** (the "Company"), hereby appoint(s) the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("AGM" or "Meeting") of the Company to be held: (a) in Singapore, by way of electronic means (for Singapore shareholders); and (b) in Hong Kong, via video-conferencing at 5/F, International Trade Tower, 348 Kwun Tong Road, Kowloon, Hong Kong (for Hong Kong shareholders) on 27 April 2021 (Tuesday) at 10:00 am and at any adjournment thereof.

I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our proxy will be treated as invalid.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against", or "Abstain" from voting on, the relevant resolution, please tick (✓) within the relevant box provided below. Alternatively, if you wish the Chairman of the Meeting as your proxy to cast your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the relevant boxes provided below.)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Abstain
Ordinary Business				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 and the Auditors' Report thereon			
2	Re-election of Mr. Han Seng Juan as a Director			
3	Re-election of Mr. Gn Hiang Meng as a Director			
4	Re-election of Mr. Chandra Mohan s/o Rethnam as a Director			
5	Approval of Mr. Gn Hiang Meng's continued appointment as Independent Non-Executive Director by shareholders			
6	Approval of Mr. Gn Hiang Meng's continued appointment as Independent Non-Executive Director by shareholders, excluding Directors and Chief Executive Officer and their respective associates			
7	Approval of Mr. Chandra Mohan s/o Rethnam's continued appointment as Independent Non-Executive Director by shareholders			
8	Approval of Mr. Chandra Mohan s/o Rethnam's continued appointment as Independent Non-Executive Director by shareholders, excluding Directors and Chief Executive Officer and their respective associates			
9	Approval of Directors' fees of up to S\$422,875 for the financial year ending 31 December 2021, to be paid quarterly in arrears			
10	Re-appointment of PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration			
Special Business				
11	Share Issue Mandate			
12	Renewal of Share Purchase Mandate			

* for identification purpose only

Dated this _____ day of _____ 2021

Total Number of Shares in:	Number of Shares
(a) Depository Register	
(b) Register of Members	

Signature or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting physically in person (in Singapore). Members in Hong Kong (whether individual or corporate) who wish to exercise their voting rights at the AGM are encouraged to appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. A member in Singapore and a member in Hong Kong without attending the AGM in person in Hong Kong (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. Printed copies of this proxy form together with the Notice of AGM have been despatched to shareholders. This proxy form is also available for download from the Company's website at the URL www.centurioncorp.com.sg or, the website of SGX-ST (www.sgx.com) or, the website of SEHK (www.hkexnews.hk).
3. Investors holding shares through a clearing house (or its nominee(s)) or relevant intermediaries (as defined in Section 181 of the Companies Act (Cap. 50) of Singapore) (other than CPF/SRS investors) who wish to appoint the Chairman of the Meeting as proxy should approach the clearing house (or its nominee(s)) or their relevant intermediaries **as soon as possible** to submit their votes.

"Relevant intermediary" means:

- a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
- the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10:00 am on 16 April 2021**, being at least seven (7) working days before the date of the Meeting.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy, duly completed and signed, must be submitted to the Company no later than **10:00 am on 24 April 2021**, being not less than 72 hours before the time appointed for holding the Meeting, in the following manners:
 - a) by depositing a physical copy at the registered office of the Company at 45 Ubi Road 1, #05-01, Singapore 408696 (for Singapore shareholders), or the office of the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders); or
 - b) by sending a scanned PDF copy via email to agm@centurioncorp.com.sg, failing which the instrument may be treated as invalid.
6. The instrument appointing the Chairman of the Meeting as proxy must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged together with the instrument appointing the Chairman of the Meeting as proxy.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.
8. Any alterations made in this instrument appointing the Chairman of the Meeting as proxy should be initialled by the member/person signing it.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited or a clearing house to the Company. A depositor shall not be regarded as a member of the Company entitled to attend the Meeting and to speak and vote thereat unless his/her name appears on the Depository Register as at 72 hours before the time set for the Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 24 March 2021.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive

Han Seng Juan (Joint Chairman)

Executive

Loh Kim Kang David* (Joint Chairman)

Wong Kok Hoe (Deputy Chairman)

Teo Peng Kwang

Independent Non-Executive

Gn Hiang Meng (Lead Independent Director)

Chandra Mohan s/o Rethnam

Owi Kek Hean

Tan Poh Hong

Lee Wei Loon

* re-designated as Executive Director on 1 March 2021

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

STOCK CODE

Singapore: OU8

Hong Kong: 6090

COMPANY WEBSITE

www.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

(Date of appointment:

Since financial year beginning

1 January 2018)

AUTHORISED REPRESENTATIVES

Wong Kok Hoe

Cheung Yuet Fan



Centurion Corporation Limited

Co. Reg. No. 198401088W

45 Ubi Road 1, #05-01

Singapore 408696

Tel : (65) 6745 3288

Fax : (65) 6743 3288

Email : enquiry@centurioncorp.com.sg

Website : www.centurioncorp.com.sg