CENTURION CORPORATION LIMITED
(Company Registration No. 198401088W)
(Incorporated in the Republic of Singapore)

UPDATE ON APPLICATION TO URBAN REDEVELOPMENT AUTHORITY IN RELATION TO THE BED CAPACITY OF WESTLITE TOH GUAN

The Board of Directors ("**Board**") of Centurion Corporation Limited ("**Company**") wishes to refer the shareholders of the Company ("**Shareholders**") to pages 11 to 12 of the unaudited consolidated financial statements of the Company and its subsidiaries ("**Group**") for the second quarter ended 30 June 2016 ("**2Q2016 Results**").

The 2Q2016 Results state that the Group had written in to the Urban Redevelopment Authority ("**URA**") to clarify the discrepancy in the bed capacity of Westlite Toh Guan, a dormitory currently owned by the Group, and to request for a ratification of the same ("**URA Application**"). The 2Q2016 Results also state the Group would update the Shareholders upon receiving the final outcome of the same. Further details and background information on the URA Application are set out in the 2Q2016 Results, a copy of which is set out in the **Appendix** to this Announcement.

The Board wishes to inform the Shareholders that it has received a response from URA today ("**URA Decision**"). The URA Decision states that URA is unable to allow the Group's request to rectify the discrepancy by increasing the bed capacity of Westlite Toh Guan recorded in URA from 7,820 to 8,628. The URA Decision also notes that the number of workers housed in Westlite Toh Guan should be reduced to 7,820, as originally approved by URA back in 2011.

In view of the foregoing, the Company intends to write in to appeal against the URA Decision. However, in the event that URA's decision remains final, the bed capacity in Westlite Toh Guan will be reduced by 808 beds and any excess workers will be shifted out from the dormitory accordingly.

This may result in:

(i) a decrease in the net dormitory income of Westlite Toh Guan. However, the Company wishes to highlight that such income reduction is not likely to materially affect the Group's profits as most excess workers, subject to the agreement of its customers, can be accommodated by other Singapore dormitories owned by the Group. If shifting the workers to the Group's other dormitories is not agreed by our customers, the reduction in profits after tax to the Group attributable to the loss of 808 beds will be approximately S$2 million per annum; and

(ii) a decrease in the valuation of Westlite Toh Guan, which will be conducted at the close of the current financial year end.

By Order of the Board
Centurion Corporation Limited

Kong Chee Min
Chief Executive Officer

15 August 2016

APPENDIX
2Q2016 Results

Please see attached pages.

Centurion Corporation Limited
(Company Registration No. 198401088W)

Unaudited Second Quarter Financial Statement and Dividend Announcement for the period ended 30 June 2016

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

1(a)(i) Consolidated Income Statement

	Group Second Quarter ended 30 June			Group Half year ended 30 June		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
Revenue	28,700	26,391	9	57,371	51,672	11
Cost of sales	(9,767)	(9,145)	7	(19,108)	(17,216)	11
Gross profit	18,933	17,246	10	38,263	34,456	11
Other gains - miscellaneous	379	482	(21)	416	692	(40)
Expenses						
- Distribution	(338)	(268)	26	(691)	(599)	15
- Administrative	(4,209)	(3,819)	10	(7,975)	(7,992)	(0)
- Finance	(5,413)	(2,892)	87	(10,815)	(6,045)	79
Share of profit of associated companies	1,316	1,549	(15)	2,780	3,092	(10)
Profit before income tax	10,668	12,298	(13)	21,978	23,604	(7)
Income tax expense	(2,239)	(2,471)	(9)	(4,204)	(4,574)	(8)
Total profit	8,429	9,827	(14)	17,774	19,030	(7)
Attributable to:						
Equity holders of the Company	8,857	9,838	(10)	18,222	19,271	(5)
Non-controlling interest	(428)	(11)	3,791	(448)	(241)	86
Equity holders of the Company	8,429	9,827	(14)	17,774	19,030	(7)

1(a)(ii) **Consolidated Statement of Comprehensive Income**

	Second Quarter ended 30 June			Half year ended 30 June		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
Total profit	8,429	9,827	(14)	17,774	19,030	(7)
Items that may be reclassified subsequently to profit or loss:						
Currency translation (losses)/gains arising from consolidation	(12,444)	941	N/M	(16,494)	(3,256)	407
Available-for-sale financial assets - Fair value loss	(1)	(10)	(90)	(18)	(56)	(68)
Other comprehensive (loss)/income, net of tax	(12,445)	931	N/M	(16,512)	(3,312)	399
Total comprehensive (loss)/income	(4,016)	10,758	(137)	1,262	15,718	(92)
Attributable to:						
Equity holders of the Company	(3,588)	10,769	(133)	1,710	15,959	(89)
Non-Controlling Interest	(428)	(11)	3,791	(448)	(241)	86
Equity holders of the Company	(4,016)	10,758	(137)	1,262	15,718	(92)

1(a)(iii) **Notes to Consolidated Income Statement**

	Second Quarter ended 30 June			Half year ended 30 June		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
After (charging) / crediting:						
Interest expense	(5,413)	(2,892)	87	(10,815)	(6,045)	79
Depreciation and amortisation	(1,965)	(1,879)	5	(3,927)	(3,643)	8
(Allowance for)/write back of impairment of trade and other receivables	(114)	7	N/M	(117)	(38)	208
Currency exchange (loss)/gain (net)	(159)	208	N/M	(943)	56	N/M
Adjustments for overprovision of prior year tax	-	(163)	N/M	-	(163)	N/M
Net gain/(loss) on sale of property, plant and equipment	17	(40)	N/M	79	(38)	N/M

The miscellaneous gains (net) comprise the following:

	Second Quarter ended 30 June			Half year ended 30 June		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
Other rental income	93	71	31	211	169	25
Interest income	363	110	230	791	174	355
Dividend income	25	28	(11)	55	55	-
Currency exchange (loss)/gain (net)	(159)	208	N/M	(943)	56	N/M
Others	57	65	(12)	302	238	27
Other miscellaneous gains - net	379	482	(21)	416	692	(40)

1(b)(i) Balance Sheets

	Group		Company	
	30 June 16	31 Dec 15	30 June 16	31 Dec 15
	$ '000	$ '000	$ '000	$ '000
Current assets				
Cash and bank balances	113,536	138,435	66,808	87,075
Trade and other receivables	5,497	5,413	14,335	12,396
Inventories	143	381	-	-
Other assets	40,947	3,863	327	164
	160,123	148,092	81,470	99,635
Non-current assets				
Trade and other receivables	-	-	277,846	262,227
Other assets	265	265	265	265
Available-for-sale financial assets	2,178	2,196	2,178	2,196
Investments in associated companies	84,185	83,097	1,298	1,298
Investments in subsidiaries	-	-	17,400	17,400
Investment properties	898,696	891,471	-	-
Property, plant & equipment	9,848	9,709	185	233
Deferred income tax assets	11	19	-	-
Intangible assets	4,324	6,795	-	-
	999,507	993,552	299,172	283,619
Total assets	**1,159,630**	**1,141,644**	**380,642**	**383,254**
Current liabilities				
Trade and other payables	(44,413)	(54,473)	(6,695)	(4,290)
Current income tax liabilities	(10,035)	(9,454)	(603)	(478)
Borrowings	(144,350)	(136,749)	(102,606)	(102,493)
Other liabilities	(215)	(113)	-	-
	(199,013)	(200,789)	(109,904)	(107,261)
Non-current liabilities				
Borrowings	(565,831)	(534,844)	(64,625)	(64,539)
Other liabilities	(532)	(733)	-	-
Deferred income tax liabilities	(1,963)	(2,382)	(21)	(27)
	(568,326)	(537,959)	(64,646)	(64,566)
Total liabilities	**(767,339)**	**(738,748)**	**(174,550)**	**(171,827)**
Net assets	**392,291**	**402,896**	**206,092**	**211,427**
Equity				
Share capital	89,837	89,837	201,148	201,148
Treasury shares	(6,498)	(2,107)	(6,498)	(2,107)
Other reserves	(18,848)	(2,336)	166	184
Retained profits	327,468	316,722	11,276	12,202
	391,959	402,116	206,092	211,427
Non-controlling Interest	332	780	-	-
Total equity	**392,291**	**402,896**	**206,092**	**211,427**
Gearing ratio*	64%	63%		
Net gearing ratio**	54%	50%		

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

** The net gearing ratio is computed as borrowings less cash and bank balances divided by total capital.

1(b)(ii) **Group's borrowings and debt securities**

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

	As at 30 June 16 $'000	**As at 31 Dec 15 $'000**
Secured	34,969	30,811
Unsecured	109,381	105,938
Sub Total	**144,350**	**136,749**

(b) Amount repayable after one year

	As at 30 June 16 $'000	**As at 31 Dec 15 $'000**
Secured	444,503	413,450
Unsecured	121,328	121,394
Sub Total	**565,831**	**534,844**
Total Debt	**710,181**	**671,593**

(c) Details of any collateral

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

1 (c) **Consolidated Cash Flow Statement**

	Second Quarter ended 30 June		Haif year ended 30 June	
	2016	**2015**	**2016**	**2015**
	$ '000	**$ '000**	**$ '000**	**$ '000**
Cash flows from operating activities				
Total profit	8,429	9,827	17,774	19,030
Adjustment for:				
Income tax expense	2,239	2,471	4,204	4,574
Depreciation and amortisation	1,965	1,879	3,927	3,643
Allowance for/(write back of) impairment of trade and other receivables	114	(7)	117	38
Net (gain)/loss on disposal of property, plant and equipment	(17)	40	(79)	38
Interest income	(363)	(110)	(791)	(174)
Dividend income	(25)	(28)	(55)	(55)
Interest expense	5,413	2,892	10,815	6,045
Share of profits of associated companies (net)	(1,316)	(1,549)	(2,780)	(3,092)
Unrealised currency translation differences	423	(947)	658	(764)
Operating cash flow before working capital changes	16,862	14,468	33,790	29,283
Changes in working capital, net of effects from acquisition of subsidiary				
Inventories	89	(58)	238	(36)
Trade and other receivables	15	(156)	(896)	(710)
Other assets	555	294	-	66
Trade and other payables	(1,921)	(2,368)	(1,699)	(3,532)
Cash generated from operations	15,600	12,180	31,433	25,071
Income tax paid - net	(3,412)	(3,036)	(3,872)	(3,161)
Net cash provided by operating activities	12,188	9,144	27,561	21,910
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	132	-	239	5
Additions to investment properties	(12,446)	(22,741)	(41,711)	(134,276)
Purchase of property, plant and equipment	(882)	(568)	(1,538)	(1,204)
Loan to associated company	-	36	-	(352)
Interest received	363	110	791	174
Dividend received	25	28	55	55
Dividend received from an associated company	862	-	1,723	4,050
Short-term bank deposits charged as security to bank	(2,525)	-	(2,525)	-
Deposits paid for acquisition of investment property	(39,433)	(14)	(39,448)	(2,110)
Net cash used in investing activities	(53,904)	(23,149)	(82,414)	(133,658)
Cash flows from financing activities				
Proceeds from borrowings	38,797	14,974	59,073	101,158
Repayment of borrowings	(7,790)	(4,974)	(14,203)	(11,240)
Interest paid	(5,304)	(3,639)	(9,583)	(5,358)
Acquisition of additional interest in a subsidiary	-	(85)	-	(85)
Proceeds from exercise of warrants	-	-	-	1
Purchase of treasury shares	(2,807)	-	(4,391)	-
Dividends paid to shareholders	(7,476)	(7,569)	(7,476)	(7,569)
Cash provided by non-controlling interest	1,225	-	4,900	14,500
Cash provided by associated company	-	38,250	-	38,250
Net cash provided by financing activities	16,645	36,957	28,320	129,657
Net (decrease)/increase in cash and cash equivalents held	(25,071)	22,952	(26,533)	17,909
Cash and cash equivalents at beginning of the period	132,565	54,034	134,388	59,116
Effects of exchange rate changes on cash and cash equivalents	(529)	(376)	(890)	(415)
Cash and cash equivalents at end of the period	106,965	76,610	106,965	76,610

* The consolidated cash and cash equivalents comprise the following:

Cash and bank balances	113,536	80,638	113,536	80,638
Short-term bank deposits charged as security to bank	(6,571)	(4,028)	(6,571)	(4,028)
	106,965	76,610	106,965	76,610

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

As at 30 June 2016 vs 30 June 2015

← Attributable to equity holders of the Company →

GROUP 2016	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total Equity $'000	Non-controlling Interest $'000	Total Equity $'000
Balance as at 1 Jan 2016	89,837	(2,107)	(2,336)	316,722	402,116	780	402,896
Dividends relating to FY2015 paid	-	-	-	(7,476)	(7,476)	-	(7,476)
Purchase of treasury shares	-	(4,391)	-	-	(4,391)	-	(4,391)
Profit/(loss) for the period	-	-	-	18,222	18,222	(448)	17,774
Other comprehensive loss for the period	-	-	(16,512)	-	(16,512)	-	(16,512)
Balance as at 30 June 2016	**89,837**	**(6,498)**	**(18,848)**	**327,468**	**391,959**	**332**	**392,291**

GROUP 2015	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total Equity $'000	Non-controlling Interest $'000	Total Equity $'000
Balance as at 1 Jan 2015	89,836	-	6,763	294,031	390,630	930	391,560
Dividends relating to FY2014 paid	-	-	-	(7,569)	(7,569)	-	(7,569)
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest	-	-	-	(85)	(85)	-	(85)
Issuance of shares pursuant to warrants exercised	1	-	-	-	1	-	1
Profit/(loss) for the period	-	-	-	19,271	19,271	(241)	19,030
Other comprehensive loss for the period	-	-	(3,312)	-	(3,312)	-	(3,312)
Balance as at 30 June 2015	**89,837**	**-**	**3,451**	**305,648**	**398,936**	**689**	**399,625**

COMPANY 2016	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total $'000
Balance as at 1 Jan 2016	201,148	(2,107)	184	12,202	211,427
Dividends relating to FY2015 paid	-	-	-	(7,476)	(7,476)
Purchase of treasury shares	-	(4,391)	-	-	(4,391)
Profit for the period	-	-	-	6,550	6,550
Other comprehensive loss for the period	-	-	(18)	-	(18)
Balance as at 30 June 2016	**201,148**	**(6,498)**	**166**	**11,276**	**206,092**

COMPANY 2015	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total $'000
Balance as at 1 Jan 2015	201,147	-	302	16,916	218,365
Dividends relating to FY2014 paid	-	-	-	(7,569)	(7,569)
Issuance of shares pursuant to warrants exercised	1	-	-	-	1
Profit for the period	-	-	-	2,781	2,781
Other comprehensive loss for the period	-	-	(56)	-	(56)
Balance as at 30 June 2015	**201,148**	**-**	**246**	**12,128**	**213,522**

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

	Company	
	No. of shares issued	Share capital $ '000
As at 1 Jan 2016 and 30 June 2016	756,873,338	201,148

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

	Company	
	30 June 16	31 Dec 15
Total number of issued shares excluding treasury shares	739,964,438	751,801,938

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

	Company	
	No. of shares	
	Haif year ended 30 June	
	2016	2015
Beginning of financial period	5,071,400	-
Purchase of treasury shares	11,837,500	-
As at 30 June 2016	16,908,900	-

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from this financial year.

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

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no significant changes in the Group's accounting policies and methods of computation nor any significant impact on the financial statements.

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

		Group			
		Second Quarter ended 30 June		Haif year ended 30 June	
		2016	2015	2016	2015
(a)	Based on weighted average number of ordinary shares on issue	1.19 cents	1.30 cents	2.44 cents	2.51 cents
(b)	On a fully diluted basis	1.19 cents	1.29 cents	2.44 cents	2.50 cents

Note:

The earnings per share is calculated based on weighted average number of ordinary shares in issue of 743,604,498 for Q2 2016 and 746,760,795 for FY2016 (Q2 2015 and FY2015: 756,873,176) ordinary shares.

The weighted average number of shares used for the calculation of EPS based on fully diluted basis is 743,604,498 for Q2 2016 and 746,760,795 for FY2016 (762,413,379 for Q2 and 762,413,391 for FY 2015).

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

	Group		Company	
	30 June 16	31 Dec 15	30 June 16	31 Dec 15
Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on	52.97 cents	53.49 cents	27.85 cents	28.12 cents

Note

The Group and Company net asset value per ordinary share is calculated based on the existing issued share capital excluding treasury shares of 739,964,438 (2015: 751,801,938) ordinary shares.

8 **Group Performance Review**

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a)(i) Second quarter review – Q2 FY2016 vs Q2 FY2015

The Group's revenue in 2Q 2016 rose by 9%, or S$2.3 million, to S$28.7 million year-on-year. The growth was mainly contributed by the Group's accommodation business, which registered a healthy year-on-year revenue growth of 13%, or S$3.2 million. The Group's optical disc business, on the other hand, experienced a decline of S$0.9 million in revenue due to the cessation of business operations in Indonesia and weaker market demand.

The positive growth in revenue from the accommodation business was largely contributed by the workers accommodation assets in Singapore, mainly due to Westlite Woodlands which obtained its temporary occupation permit ("TOP") in July 2015. As at 30 June 2016, Westlite Woodlands achieved an occupancy rate of 78%. ASPRI-Westlite Papan obtained its TOP on 25 May 2016 and the Group is currently ramping up on its occupancy. The Group's other four existing workers accommodation assets in Singapore continued to perform well in 2Q 2016 with high average occupancy rates of over 95%.

Revenue from the Group's workers accommodation in Malaysia has declined due to the softening of average occupancy rates to about 61% in 2Q 2016 (including Westlite Senai which commenced operations earlier part of this year), largely due to the slowdown in the manufacturing sector and changes in foreign worker policy. Revenue had declined marginally as compared to 2Q 2015 offsetting the overall revenue growth from the workers accommodation business in Singapore.

Revenue from the Group's student accommodation business, on the other hand, grew year-on-year and contributed S$8.2 million of revenue in 2Q 2016 . The growth was largely attributed to additional revenue contributions from CSL Selegie, which commenced operations in October 2015, and the positive rental reversions from the Group's student accommodation business in Australia and the United Kingdom ("UK").

The Group's gross profit in 2Q 2016 increased by 10%, from S$17.2 million to S$18.9 million, in tandem with the increase in revenue.

Administrative expenses increased S$0.4 million in line with the Group's expanded business operations, in particular Westlite Woodlands, CSL Selegie and ASPRI-Westlite Papan.

Finance costs increased by S$2.5 million, mainly due to the additional interest costs for the S$65 million Multicurrency Medium Term Note ("MTN") issued in July 2015, as well as the financing cost on bank borrowings taken to finance Westlite Woodlands, Westlite Senai II and ASPRI-Westlite Papan, which received their TOP in July 2015, January 2016 and May 2016 respectively.

Share of profit of associated companies reduced by S$0.2 million mainly due to the adjustments made over the property tax for Westlite Mandai for FY2014 to FY2016.

The share of non-controlling interest in the loss of a subsidiary was S$0.4 million.

With the increase in finance costs for the Group's business expansion, the Group's net profit after tax attributable to the equity holders of the Company dipped by about 10% to S$8.9 million in 2Q 2016, as compared to S$9.8 million for 2Q 2015.

The profits were contributed by the Group's accommodation business. The Group's optical disc business broke even for 2Q 2016.

(a)(ii) Half year 2015 review – 1H FY2015 vs 1H FY2014

The Group registered an increase of 11% in revenue, from S$51.7 million in 1H 2015 to S$57.4 million in 1H 2016. The Group's accommodation business achieved a 15% growth or S$7.3 million increase in revenue compared to the corresponding period last year due to the continued expansion of the Group's accommodation business. The Group's optical disc business, however, experienced a decrease in revenue of 54%, or S$1.6 million, due to the cessation of its Indonesian operations and continued weakening demand for physical optical disc media.

Gross profit for the Group in 1H 2016 improved by S$3.8 million, which was an increase of 11%, compared to 1H 2015 on the back of the revenue growth from the expansion of its accommodation business.

Finance costs increased by S$4.8 million in 1H 2016, mainly as a result of the additional interest costs incurred for the financing of the expanded accommodation businesses.

Share of the profit of associated companies reduced by S$0.3 million in 1H 2016 mainly due to the property tax adjustments for Westlite Mandai.

The net profit after tax attributable to the equity holders was S$18.2 million in 1H 2016, as compared to S$19.3 million in 1H 2015. The Group's accommodation business contributed S$18.1 million, while the optical disc business contributed a profit of S$0.1 million in 1H 2016.

As announced previously, the Group has decided to pay an interim dividend on a half-yearly basis to reward shareholders. For 1H 2016, the Board has declared an interim dividend of 1.0 Singapore cent per ordinary share.

(b)(i) Review of Group Balance Sheet

Assets

Cash and bank balances reduced by S$24.9 million, mainly due to the equity contribution for the acquisition of four new student accommodation assets in the UK ("UK Braemar"), development of ASPRI-Westlite Papan, dividends paid to the shareholders, and share purchase of treasury shares.

Other assets increased by S$37.1 million, of which approximately S$36 million was cash held with legal counsels for the completion of the acquisition of the UK Braemar assets. The acquisition was completed on 1 July 2016.

Investment property increased by S$7.2 million, largely due to the development of workers accommodation assets in Singapore and Malaysia.

Liabilities

Trade and other payables reduced by S$10.1 million, largely due to the settlement of the progress claims on the development of the investment properties.

The Group was in a net current liabilities position of S$38.9 million due to the MTN of S$100 million maturing in October 2016. The Group currently has sufficient cash resources and banking facilities (both in aggregate of approximately S$183 million) available to meet the financing needs of the maturing MTN and its current liabilities.

Borrowings & Gearing

Borrowings increased by S$38.6 million, largely due to bank loans obtained in 1H 2016 to finance the acquisition of the UK Braemar assets and the development of the Group's workers accommodation projects under construction and. Workers accommodation projects included ASPRI-Westlite Papan in Singapore and Westlite Senai II in Malaysia. The Group's net gearing ratio as at 30 June 2016 was 54%.

The Group continued to generate a stable and strong operating cash flow, before working capital changes, of S$33.8 million, a 15% increase from S$29.3 million in 1H 2015. Despite the higher gearing ratio, the 3.4 times interest cover (or 6.2 times interest cover, excluding MTN interest) continues to be adequate and is within the Group's interest cover threshold.
The Group's developmental and acquired operating assets are primarily funded through bank debt with a loan maturity profile averaging 11 years. With active debt and capital management policies in place, the Group generated a net operating cash flow surplus of S$6.1 million (before working capital changes and after deducting income tax paid, interest and loan principal repayments) for 1H 2016.

The Group's balance sheet remains healthy with S$113.5 million cash and bank balances. Given the stable and strong operating cashflow, the Group has adequate debt headroom for further growth and expansion. To ensure sustainable growth in the long run, the Group will carefully balance between acquiring operating assets that will contribute to current income, and investing in development projects for future growth.

(b)(ii) Review of Company Balance Sheet

Cash and cash equivalents decreased by S$20.3 million, mainly due to loans advanced to subsidiaries, dividends and the purchase of treasury shares during the period.

Trade and other receivables under current and non-current assets mainly relate to loan or advances given to subsidiaries.

(b)(iii) Review of Cash Flow Statement

In 1H 2016, the Group generated a positive cash flow of S$33.8 million from operating activities before working capital changes.

During 1H 2016, cash of S$82.4 million in investing activities was mainly used for the development of the Group's accommodation assets, in particular for ASPRI-Westlite Papan and the acquisition of UK Braemar assets.

Net cash of S$28.3 million was received from financing activities, mainly due to financing obtained for project developments offset by the regular repayment of borrowings and interest paid during the period. In addition, S$4.4 million was used for the purchase of treasury shares and S$7.5 million in dividends was paid to shareholders during the period.

As a result of the above activities, the Group recorded a reduction in cash and cash equivalents of S$26.5 million, but continued to maintain a healthy cash and cash equivalents balance of S$113.5 million as at 30 June 2016.

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

Not applicable

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

(i) Accommodation Business

The Group currently operates a diversified portfolio of workers and students accommodation assets comprising 64,000 beds in four countries. The Group expects to sustain its growth momentum with its newly developed and acquired assets, as well as its pipeline of projects under development. It will also continue to evaluate asset enhancement opportunities.

(a) Workers Accommodation

As at 30 June 2016, the Group had a total of 35,500 beds across five operating workers accommodation in Singapore. The newest addition, 7,900-bed ASPRI-Westlite Papan, successfully obtained its Temporary Occupation Permit ("TOP") in May 2016, and efforts are underway to increase its occupancy. Excluding ASPRI-Westlite Papan, the four existing workers accommodation assets in Singapore are operating at a strong average occupancy rate of approximately 95%. Despite the slowdown in the marine, oil and gas sectors, the Group has achieved close to 80% occupancy rate for Westlite Woodlands, which opened in July last year.

The new Foreign Employee Dormitories Act, which came into effect on 1 January 2016, requires all workers dormitories exceeding 1,000 beds to be licensed by the Ministry of Manpower ("MOM") by 1 January 2017. During the licensing application process for one of the Group's dormitories, Westlite Toh Guan, it was brought to the Group's attention that there was a documentation discrepancy between the actual bed capacity of 8,628 and the bed capacity of 7,820 documented in the architect's plans, which were attached to the Written Permission ("WP") granted by the Urban Redevelopment Authority ("URA") back in 2011 when the Group had undertaken an asset enhancement initiative ("AEI") for the said dormitory. The bed capacity of 7,820 in the architect's plans was derived by aggregating the bed count of 4,480 stated in URA's WP dated 2003 where a more generous physical living space of 4 sqm per worker were provided, and the approved bed count for the new 18-storey block based on the prevailing guidelines of a living space of 3 sqm per worker in 2011. In retrospect, the computation should have taken into account the entire development post-AEI based the prevailing guideline of 3 sqm per worker – which would have amounted to 8,628 beds – and this figure should have been updated with the URA during the AEI WP submission in 2011. While the AEI was approved by the URA in 2011 and Westlite Toh Guan presently fulfils all regulatory, technical and safety requirements, the Group is required to clarify the abovementioned bed capacity records with the URA and request for a ratification of the actual bed capacity in the relevant documentation relating to Westlite Toh Guan. The Group has since written in to URA and will provide the necessary update upon receiving the final outcome of the clarification with the URA.

The workers accommodation market in Singapore is expected to remain challenging for the rest of 2016, against a cautious outlook for the Singapore and global economy. Against the subdued economic backdrop, the occupancy for ASPRI-Westlite Papan is expected to grow at a modest pace. This year will see approximately 57,000 new purpose-built workers accommodation beds progressively entering the market, although this will be offset by the non-renewal of a number of short-term purpose-built dormitories with land leases expiring in 2016 and 2017.

Overall, there is still an undersupply of purpose-built workers accommodation relative to the total number of blue-collar foreign workers in Singapore. This is further supported by the government's policies and rising societal awareness to improve the welfare of migrant workers. While there could be short term downward pressures on the overall rental and occupancy rates, the Group is confident of its ability to maintain its market position, given the quality and strategic location of its assets.

In Malaysia, the Group had a capacity of 25,700 beds across seven workers accommodation assets in Johor as at 30 June 2016. The average occupancy rates of the Group's assets in Malaysia have softened to just over 60%, mainly due to the nationwide hiring freeze of foreign workers imposed by the Malaysian government, slowdown in the manufacturing sector and the weaker ringgit which reduces Malaysia's attractiveness to foreign workers to work in the country.

Despite the short term headwinds in Malaysia, the Group is confident of the long-term demand for quality workers accommodation as the country remains an important manufacturing hub in the region. The Group's decision to grow in Johor and Penang, both important hubs for multi-national companies, will allow it to leverage its early mover advantages in this market.

(b) Student Accommodation

As at 30 June 2016, the Group had a portfolio of 2,689 student accommodation beds in the UK, Australia and Singapore.

The Group continues to reinforce its position in the student accommodation sector with strategic acquisitions. In July 2016, it completed the acquisition of four more UK student accommodation assets in the UK, which added another 519 student beds to its portfolio. The latest acquisition, together with high occupancy rates and stable earnings in existing assets, strengthens the Group's presence in well-regarded university cities. Student bookings of its accommodation assets for the new 2016/17 academic year are currently in progress and the interest level has been strong.

The UK student accommodation market is expected to remain robust as supply of purpose-built student accommodation ("PBSA") is far lower than demand. The effects of Brexit on the educational sector in the UK are expected to be minimal. Domestic demand for higher education is unlikely to be directly affected, whilst the weaker sterling pound ("GBP") may attract more international students to pursue higher education in the UK, which is one of the key education hubs globally. EU students, who may not receive any tuition fee subsidies post-Brexit, could potentially find UK higher education less financially attractive. However, this category of EU students represents only around 6% of the total full time student population in the UK.

In Melbourne, Australia, the Group's 456-bed asset – RMIT Village – continues to be an attractive option for students. It is expected to operate at close to full occupancy in the current academic year.

The Group's Singapore student accommodation asset – CSL Selegie – looks set to achieve healthy occupancy rates as bookings for the new academic year commence, given its attractive location in the city and accessibility to various education institutions

The 2016 outlook for the Group's student accommodation business remains strong, underpinned by the attractive location of its assets and strong demand for quality purpose-built student accommodation. The Group recognises the potential for growth in the student accommodation business in Australia and the UK, and will continue to be selective in its acquisition for student assets in these countries.

11 Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on ?

Name of Dividend:	Interim 1-tier tax exempt dividend
Dividend Type:	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share
Tax Rate:	1-tier tax exempt

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year ?

Name of Dividend:	Interim 1-tier tax exempt dividend
Dividend Type:	Cash
Dividend Amount per Share (in cents)	0.5 cent per ordinary share
Tax Rate:	1-tier tax exempt

(c) Date Payable

The interim dividend will be paid on 7 September 2016.

(d) Book Closure Date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 26 August 2016 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544, up to 5.00 p.m. on 25 August 2016 will be registered to determine shareholders' entitlements to the interim dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5.00 p.m. on 25 August 2016 will be entitled to the interim dividend.

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

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable for quarter announcement.

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

As explained in note 8.

15 Sales and Profit Breakdown

Not applicable for quarter announcement.

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

Not applicable for quarter announcement.

17 Interested Person Transactions ("IPTs")

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

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable for quarter announcement.

19 Use of Proceeds - Warrants conversion

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

The net proceeds of S$406,249 in relation to the New Shares issued pursuant to warrants exercised, have not been utilised to date.

20 Confirmation of Directors' and Executive Officers' Undertakings

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Listing Manual.

21 Negative Assurance Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the second quarter ended 30 June 2016 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
CENTURION CORPORATION LIMITED

Wong Kok Hoe
12 August 2016

Loh Kim Kang David

BY ORDER OF THE BOARD
Kong Chee Min
Chief Executive Officer
12 August 2016