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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

**For identification purpose only*

Unaudited Fourth Quarter Financial Statements and Dividend Announcement for the Year Ended 31 December 2018

The board (the "Board") of directors (the "Directors") of Centurion Corporation Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2018, together with the comparative figures for the year ended 31 December 2017 as follows:

1) Consolidated Income Statement

	Group			Group		
	Fourth quarter ended 31 December			Twelve months ended 31 December		
	2018	2017	Change	2018	2017	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Revenue	31,326	33,591	(7)	120,070	137,113	(12)
Cost of sales	(8,387)	(10,752)	(22)	(33,749)	(42,903)	(21)
Gross profit	22,939	22,839	0	86,321	94,210	(8)
Other income and gains	348	170	105	1,223	1,351	(9)
Expenses						
- Distribution expenses	(318)	(371)	(14)	(1,143)	(1,180)	(3)
- Administrative expenses	(5,879)	(9,039)	(35)	(21,010)	(26,832)	(22)
- Finance expenses	(6,611)	(5,876)	13	(23,929)	(21,545)	11
Share of profit of associated companies and joint venture	1,635	1,999	(18)	6,571	4,606	43
	12,114	9,722	25	48,033	50,610	(5)
Net fair value gains/(losses) on investment properties and assets held for sale	48,553	(1,485)	N/M	48,553	(1,220)	N/M
Profit before income tax	60,667	8,237	637	96,586	49,390	96
Income tax expense	(6,645)	(1,235)	438	(12,435)	(11,746)	6
Total profit	54,022	7,002	672	84,151	37,644	124
Profit attributable to:						
Equity holders of the Company	53,111	5,891	802	79,326	31,722	150
Non-controlling interests	911	1,111	(18)	4,825	5,922	(19)
Total profit	54,022	7,002	672	84,151	37,644	124

Note 1

Total profit	54,022	7,002	672	84,151	37,644	124
Adjusted for:						
- Fair value (gains)/losses on investment properties and assets held for sale including those of associated companies and joint venture	(48,792)	1,072	N/M	(48,792)	2,112	N/M
- Fair value gain on rent guarantee	(162)	-	N/M	(162)	-	N/M
- Deferred tax arising from fair value gains	4,392	20	N/M	4,392	2,822	N/M
- Dual listing expense	-	2,631	N/M	-	6,869	N/M
Profit from core business operations	**9,460**	**10,725**	**(12)**	**39,589**	**49,447**	**(20)**

Note 2

Profit attributable to equity holders of the Company	53,111	5,891	802	79,326	31,722	150
Adjusted for:						
- Fair value (gains)/losses on investment properties and assets held for sale including those of associated companies and joint venture attributable to equity holders	(49,285)	796	N/M	(49,285)	2,918	N/M
- Fair value gain on rent guarantee	(162)	-	N/M	(162)	-	N/M
- Deferred tax arising from fair value gains	4,392	20	N/M	4,392	2,822	N/M
- Dual listing expense	-	2,631	N/M	-	6,869	N/M
Profit from core business operations attributable to equity holders	**8,056**	**9,338**	**(14)**	**34,271**	**44,331**	**(23)**

N/M : Not meaningful

2) Consolidated Statement of Comprehensive Income

	Fourth quarter ended 31 December			Twelve months ended 31 December		
	2018	2017	Change	2018	2017	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Total profit	54,022	7,002	672	84,151	37,644	124
Items that may be reclassified subsequently to profit or loss:						
Currency translation (losses)/gains arising from consolidation	(8,110)	(893)	808	(14,070)	3,379	N/M
Share of other comprehensive (loss)/gain of associated companies and joint venture	(145)	(604)	(76)	772	(604)	N/M
Available-for-sale financial assets						
- Fair value loss	-	(67)	N/M	-	(29)	N/M
- Reclassification	-	(69)	N/M	-	(69)	N/M
Financial assets at fair value through other comprehensive income ("FVOCI")						
- Fair value loss	(204)	-	N/M	(633)	-	N/M
- Reclassification	12	-	N/M	12	-	N/M
Other comprehensive (loss)/income, net of tax	(8,447)	(1,633)	417	(13,919)	2,677	N/M
Total comprehensive income	45,575	5,369	749	70,232	40,321	74
Total comprehensive income attributable to:						
Equity holders of the Company	44,663	4,258	949	65,407	34,399	90
Non-controlling interests	912	1,111	(18)	4,825	5,922	(19)
Total comprehensive income	45,575	5,369	749	70,232	40,321	74

N/M : Not meaningful

3) Balance Sheets

	Group		Company	
	31 Dec 18	31 Dec 17	31 Dec 18	31 Dec 17
	$ '000	$ '000	$ '000	$ '000
Current assets				
Cash and bank balances	62,902	75,765	34,081	34,762
Trade and other receivables	11,972	13,632	29,610	41,391
Inventories	88	84	-	-
Other assets	5,947	5,146	325	106
Available-for-sale financial assets	-	11,887	-	11,887
Financial assets, at fair value through other comprehensive income	9,322	-	9,322	-
Assets held for sale	5,586	6,801	-	-
	95,817	113,315	73,338	88,146
Non-current assets				
Trade and other receivables	-	-	358,853	335,834
Other assets	598	1,511	-	130
Financial assets, at fair value through profit or loss	383	51	-	-
Investments in associated companies	116,699	112,810	1,298	1,298
Investments in joint ventures	4,604	-	-	-
Investments in subsidiaries	-	-	16,703	16,853
Investment properties	1,097,191	952,345	-	-
Property, plant & equipment	8,275	8,959	745	837
	1,227,750	1,075,676	377,599	354,952
Total assets	**1,323,567**	**1,188,991**	**450,937**	**443,098**
Current liabilities				
Trade and other payables	(43,728)	(44,744)	(15,366)	(11,438)
Current income tax liabilities	(8,018)	(10,455)	(895)	(895)
Borrowings	(42,994)	(107,530)	(2,189)	(72,459)
Other liabilities	-	(879)	-	-
	(94,740)	(163,608)	(18,450)	(84,792)
Non-current liabilities				
Borrowings	(695,403)	(545,108)	(161,462)	(84,490)
Other liabilities	(356)	(447)	-	-
Deferred income tax liabilities	(8,117)	(4,095)	(87)	(47)
	(703,876)	(549,650)	(161,549)	(84,537)
Total liabilities	**(798,616)**	**(713,258)**	**(179,999)**	**(169,329)**
Net assets	**524,951**	**475,733**	**270,938**	**273,769**
Equity				
Share capital	142,242	142,242	253,553	253,553
Other reserves	(32,536)	(18,617)	(557)	64
Retained profits	397,609	339,302	17,942	20,152
	507,315	462,927	270,938	273,769
Non-controlling interests	17,636	12,806	-	-
Total equity	**524,951**	**475,733**	**270,938**	**273,769**
Gearing ratio*	58%	58%		
Net gearing ratio**	53%	51%		

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

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

4) Consolidated Statement of Cash Flows

	Fourth quarter ended 31 December		Twelve months ended 31 December	
	2018	2017	2018	2017
	$ '000	$ '000	$ '000	$ '000
Total profit	54,022	7,002	84,151	37,644
Adjustment for:				
Income tax expense	6,645	1,235	12,435	11,746
Depreciation and amortisation	735	1,071	3,086	4,769
Allowance for impairment of trade and other receivables	53	39	72	149
Net loss/(gain) on disposal of property, plant and equipment	5	70	(5)	59
(Gain)/loss on disposal of financial assets, at FVOCI / available-for-sale	-	(67)	12	(67)
Scrap sales income	-	(380)	-	(380)
Interest income	(261)	(286)	(1,046)	(906)
Dividend income	-	(28)	(73)	(107)
Finance expenses	6,611	5,876	23,929	21,545
Share of profit of associated companies and joint venture	(1,635)	(1,999)	(6,571)	(4,606)
Impairment of intangible asset	-	207	-	207
Fair value (gains)/losses on investment properties and assets held for sale	(48,553)	1,485	(48,553)	1,220
Net changes in FV of investments designated at FVTPL	(164)	-	(164)	-
Unrealised currency translation differences	56	105	178	(194)
Operating cash flow before working capital changes	17,514	14,330	67,451	71,079
Change in working capital				
Inventories	20	9	(4)	19
Trade and other receivables	(2,967)	1,705	1,869	(5,632)
Other assets	(662)	1,351	(2,112)	(69)
Trade and other payables	(4,894)	(8,981)	166	503
Cash generated from operations	9,011	8,414	67,370	65,900
Income tax paid	(2,006)	(903)	(9,895)	(8,964)
Net cash provided by operating activities	7,005	7,511	57,475	56,936
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	21	13	84	57
Proceeds from disposal of financial assets, at FVOCI / available-for-sale	-	67	2,000	67
Acquisition of shares in associated companies and joint venture	(6,323)	(34,934)	(6,323)	(34,934)
Additions to investment properties	(52,188)	(5,543)	(119,415)	(21,767)
Purchases of property, plant and equipment	(1,494)	(724)	(2,489)	(2,673)
Purchase of financial assets, at FVOCI / available-for-sale	-	-	-	(9,954)
Interest received	274	286	1,059	906
Dividends received	-	28	73	107
Dividends received from an associated company	861	862	5,245	2,584
Bank deposits released/(charged) as security to bank	(164)	-	1,068	(172)
Deposits paid for acquisition of investment property	-	(263)	-	(1,381)
Other deposits (paid)/refunded	-	(1,335)	1,561	(1,335)
Purchase of financial assets at fair value through profit or loss	-	(51)	-	(51)
Net cash used in investing activities	(59,013)	(41,594)	(117,137)	(68,546)
Cash flows from financing activities				
Proceeds from borrowings	67,232	4,628	213,052	97,910
Repayment of borrowings	(17,112)	(12,720)	(115,121)	(106,843)
Interest paid	(6,691)	(6,256)	(25,249)	(21,476)
Proceeds from exercise of warrants	-	4,535	-	33,677
Proceeds from shares offering	-	19,759	-	19,759
Purchase of treasury shares	-	-	-	(1,119)
Dividends paid to equity holders of the Company	-	-	(21,019)	(15,356)
Cash provided by non-controlling interests	147	-	147	1,470
Listing expenses paid	-	(778)	-	(989)
Repayment of loan from associated companies	(862)	(862)	(3,446)	(2,584)
Net cash provided by financing activities	42,714	8,306	48,364	4,449
Net decrease in cash and cash equivalents held	(9,294)	(25,777)	(11,298)	(7,161)
Cash and cash equivalents at beginning of the year	70,722	99,110	73,191	80,219
Effects of currency translation on cash and cash equivalents	(70)	(142)	(535)	133
Cash and cash equivalents at end of the year	61,358	73,191	61,358	73,191

* The consolidated cash and cash equivalents comprise the following:

Cash and bank balances	62,902	75,765	62,902	75,765
Restricted cash and short-term bank deposits charged as security to	(1,544)	(2,574)	(1,544)	(2,574)
	61,358	73,191	61,358	73,191

5) Consolidated Statement of Changes in Equity

GROUP 2018	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
	← Attributable to equity holders of the Company →						
Balance as at 1 Jan 2018	142,242	-	(18,617)	339,302	462,927	12,806	475,733
Dividends relating to FY2017 paid	-	-	-	(12,611)	(12,611)	-	(12,611)
Dividends relating to FY2018 paid	-	-	-	(8,408)	(8,408)	-	(8,408)
Acquisition of a subsidiary	-	-	-	-	-	5	5
Profit for the year	-	-	-	79,326	79,326	4,825	84,151
Other comprehensive loss for the year	-	-	(13,919)	-	(13,919)	-	(13,919)
Balance as at 31 December 2018	**142,242**	**-**	**(32,536)**	**397,609**	**507,315**	**17,636**	**524,951**

GROUP 2017	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
Balance as at 1 Jan 2017	89,837	(6,498)	(21,294)	330,553	392,598	6,884	399,482
Dividends relating to FY2016 paid	-	-	-	(7,399)	(7,399)	-	(7,399)
Dividends relating to FY2017 paid	-	-	-	(7,957)	(7,957)	-	(7,957)
Issuance of shares pursuant to warrants exercised	33,677	-	-	-	33,677	-	33,677
Issuance of shares pursuant to share offering	19,759	-	-	-	19,759	-	19,759
Share issue expenses	(1,031)				(1,031)		(1,031)
Purchase of treasury shares	-	(1,119)	-	-	(1,119)	-	(1,119)
Cancellation of treasury shares	-	7,617	-	(7,617)	-	-	-
Profit for the year	-	-	-	31,722	31,722	5,922	37,644
Other comprehensive profit for the year	-	-	2,677	-	2,677	-	2,677
Balance as at 31 December 2017	**142,242**	**-**	**(18,617)**	**339,302**	**462,927**	**12,806**	**475,733**

COMPANY 2018	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total $'000
Balance as at 1 Jan 2018	253,553	-	64	20,152	273,769
Dividends relating to FY2017 paid	-	-	-	(12,611)	(12,611)
Dividends relating to FY2018 paid	-	-	-	(8,408)	(8,408)
Profit for the year	-	-	-	18,809	18,809
Other comprehensive loss for the yaer	-	-	(621)	-	(621)
Balance as at 31 December 2018	**253,553**	**-**	**(557)**	**17,942**	**270,938**

COMPANY 2017	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total $'000
Balance as at 1 Jan 2017	201,148	(6,498)	162	15,487	210,299
Dividends relating to FY2016 paid	-	-	-	(7,399)	(7,399)
Dividends relating to FY2017 paid	-	-	-	(7,957)	(7,957)
Issuance of shares pursuant to warrants exercised	33,677	-	-	-	33,677
Issuance of shares pursuant to share offering	19,759	-	-	-	19,759
Share issue expenses	(1,031)	-	-	-	(1,031)
Purchase of treasury shares	-	(1,119)	-	-	(1,119)
Cancellation of treasury shares	-	7,617	-	(7,617)	-
Profit for the year	-	-	-	27,638	27,638
Other comprehensive loss for the year	-	-	(98)	-	(98)
Balance as at 31 December 2017	**253,553**	**-**	**64**	**20,152**	**273,769**

6) Segment Information

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

The business of the Group is organised into the following business segments:
a) Workers Accommodation
b) Students Accommodation
c) Others

Year ended 31 December 2018	Workers Accommodation $'000	Students Accommodation $'000	Others $'000	Total $'000
Sales to external parties	80,605	37,731	1,734	120,070
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	3,076	1,829	1,505	6,410
- Over time	682	1,436	-	2,118
	3,758	3,265	1,505	8,528
Segment results	49,944	13,663	665	64,272
Finance expense	(15,279)	(8,649)	(1)	(23,929)
Interest income				1,046
Dividend income				73
Fair value (losses)/gains on investment properties and assets held for sales	(12,227)	60,925	(145)	48,553
Share of profit/(loss) of associated companies and joint ventures	6,151	425	(5)	6,571
Profit before tax				96,586
Income tax expense				(12,435)
Net profit				84,151
Segment assets	668,193	473,765	6,697	1,148,655
Short-term bank deposits				44,287
Financial assets, at fair value through other comprehensive income				9,322
Investments in associated companies				116,699
Investments in joint venture				4,604
Consolidated total assets				1,323,567
Segment liabilities	25,547	17,728	809	44,084
Borrowings	469,210	269,179	8	738,397
Current income tax liabilities				8,018
Deferred income tax liabilities				8,117
Consolidated total liabilities				798,616
Capital expenditure	14,296	104,758	1	119,055
Depreciation	1,926	1,124	36	3,086
Amortisation	-	-	-	-

Year ended 31 December 2017	Workers Accommodation	Students Accommodation	Others	Total
	$'000	$'000	$'000	$'000
Sales to external parties	100,397	34,989	1,727	137,113
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	3,833	1,777	1,516	7,126
- Over time	653	116	-	769
	4,486	1,893	1,516	7,895
Segment results	60,330	12,929	367	73,626
Finance expense	(13,893)	(7,643)	(9)	(21,545)
Listing expenses				(6,869)
Interest income				906
Dividend income				107
Fair value (losses)/gains on investment properties and assets held for sales	(3,871)	1,388	1,263	(1,220)
Impairment of property, plant and equipment				(14)
Impairment of intangible asset				(207)
Share of profit/(loss) of associated companies	3,966	657	(17)	4,606
Profit before tax				49,390
Income tax expense				(11,746)
Net profit				37,644
Segment assets	685,167	332,070	9,056	1,026,293
Short-term bank deposits				37,454
Available-for-sale, financial assets				11,887
Tax recoverable				547
Investments in associated companies				112,810
Consolidated total assets				1,188,991
Segment liabilities	32,380	12,300	1,390	46,070
Borrowings	426,502	226,110	26	652,638
Current income tax liabilities				10,455
Deferred income tax liabilities				4,095
Consolidated total liabilities				713,258
Capital expenditure	8,624	16,021	-	24,645
Depreciation	2,042	1,044	34	3,120
Amortisation	1,649	-	-	1,649

7) NOTES TO THE UNAUDITED FOURTH QUARTER AND TWELVE MONTHS CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

a) 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 ("SGT-ST") and the Stock Exchange of Hong Kong Limited (the “SEHK”). The address of its registered office is 45 Ubi Road 1, #05-01, Singapore 408696.

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

The financial statements are presented in thousands of Singapore Dollars (S$’000) unless otherwise stated.

b) Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) and International Financial Reporting Standards (“IFRS”) under the historical cost convention, except as disclosed in the accounting policies below.

Adoption of SFRS(I)
As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018. These financial statements for the year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group’s previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with IFRS, including International Accounting Standards and Interpretations adopted by International Accounting Standard Board.

For the purpose of SFRS(I), financial statements that have been prepared in accordance and complied with IFRS are deemed to have also complied with SFRS(I).

SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as ‘IFRS’ in these financial statements, unless specified otherwise.

IFRS 9 Financial Instruments - The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under IFRS 9. The Group has elected to recognise changes in the fair value of all its debts instruments and previously classified as avaliable-for-sale, in other comprehensive income. Accordingly, "Financial assets, available-for-sale" on the statement of financial position have been redesignated as "Financial assets, at fair value through other comprehensive income". Apart from this, the adoption of IFRS 9 has no significant impact on the Group's financial position and results of operations.

IFRS 15 Revenue from contracts with customers - The Group establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. In accordance with the requirements of IFRS 1, the Group adopted IFRS 15 retrospectively. The adoption of IFRS 15 did not result in adjustments to the previously issued financial statements. The Group’s major revenue stream is mainly rental income generated from workers and student accommodation assets, which is accounted for in accordance with IAS 17 Leases.

c) Assessment of adoption of IFRS 16 impact to the Group

IFRS 16 Leases - This standard will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules has always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

As at 31 December 2018, the Group has non-cancellable operating lease commitments of S$82,928,000. Of these commitments, approximately S$1,078,000 relate to short-term leases and S$69,000 to low value leases and which will both be recognised on a straight-line basis as expense in profit or loss.

For the remaining lease commitments the Group expects to recognise right-of-use assets of approximately S$40,651,000 on 1 January 2019, lease liabilities of S$40,651,000 (after adjustments for prepayments and accrued lease payments recognised). Net current assets will be S$3,973,000 lower due to the presentation of a portion of the liability as a current liability.

The Group expects that net profit after tax will increase by approximately S$1,645,000 for 2019 as a result of adopting the new rules.

Operating cash flows will increase and financing cash flows will decrease by approximately S$4,796,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

d) Revenue

	Group		
	Twelve months ended 31 December		
	2018	2017	Change
	$ '000	$ '000	%
Rental income from investment properties	108,367	125,915	(14)
Rental income from operating leases	3,175	3,303	(4)
Revenue from contracts with customers (IFRS15)			
Other revenue from accomodation business	4,905	5,610	(13)
Sales of optical storage media	1,505	1,516	(1)
Management services	2,118	769	175
Total revenue	120,070	137,113	(12)

e) Revenue and profit breakdown

	Group		
	Twelve months ended 31 December		
	2018	2017	Change
	$ '000	$ '000	%
Continuing operation:			
(a) Revenue reported for first half year	60,476	71,269	(15)
(b) Profit after tax reported for first half year	21,552	23,239	(7)
(c) Revenue reported for second half year	59,594	65,844	(9)
(d) Profit after tax reported for second half year	62,599	14,405	335

f) Other income and gains - net

	Group		
	Twelve months ended 31 December		
	2018	2017	Change
	$ '000	$ '000	%
Rental income	18	12	50
Interest income	1,046	906	15
Dividend income	73	107	(32)
Currency exchange loss- net	(402)	(277)	45
Net gain/(loss) on disposal of plant and equipment	5	(59)	N/M
Government grants	121	172	(30)
Impairment of property, plant and equipment	-	(14)	N/M
Financial assets, at fair value through other comprehensive income			
- reclassification from other comprehensive income on disposal	(12)	69	N/M
Fair value gain on financial assets, at fair value through profit or loss	164	-	N/M
Others	210	435	(52)
	1,223	1,351	(9)

g) Income tax expense

	Group		
	Twelve months ended 31 December		
	2018	2017	Change
	$ '000	$ '000	%
Tax expense attributable to the profit is made up of:			
- Profit for the financial year			
Current income tax	7,693	9,847	(22)
Deferred income tax	4,428	816	443
	12,121	10,663	14
- (Over)/under provision in prior financial years			
Current income tax	377	(854)	(144)
Deferred income tax	(63)	1,937	(103)
	12,435	11,746	6

h) Other information on Income Statement

	Group		
	Twelve months ended 31 December		
	2018	2017	Change
	$ '000	$ '000	%
Depreciation and amortisation	(3,086)	(4,769)	(35)
Allowance for impairment of trade and other receivables	(72)	(149)	(52)

i) Trade and other receivables

Trade receivables primarily consisted of the trade receivables from non-related parties i.e.customers.

The majority of the group's sales are on cash terms. The remaining overdue amounts, were mainly due to some customers requesting for a delay in payment and we allow them for deferred settlement of up to 30 days (for workers and student accommodation) or up to 90 days (for commercial tenants of student accommodations and optical disc business), as the case may be, after considering the requesting customer's rental deposit balance, payment history and financial situation, in order to maintain long term relationships with the customers.

The ageing analysis of trade receivables based on invoice date is as follows:

	Group	
	31 Dec 2018	31 Dec 2017
	$ '000	$ '000
Up to 3 months	2,892	2,546
3 to 6 months	302	186
Over 6 months	672	655
	3,866	3,387
Less: Cumulative allowance for impairment	(781)	(852)
	3,085	2,535

j) Trade and other payables

Trade payables mainly comprised payables to utilities, suppliers of consumables and services.

Trade payables that are aged over 3 months were mainly due to liabilities recognised but under negotiation with suppliers over payment or goods/services delivered. Our trade payables were due according to the terms on the relevant contracts. In general, our suppliers grant us a credit term of cash terms of up to 30 days and we settle our payment by cheque or bank transfer.

The ageing analysis of trade payables based on invoice date is as follows:

	Group	
	31 Dec 2018	31 Dec 2017
	$ '000	$ '000
Up to 3 months	3,562	3,025
3 to 6 months	51	358
Over 6 months	624	408
	4,237	3,791

N/M: Not meaningful

k) Group's borrowings

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

	Group	
	31 Dec 2018	**31 Dec 2017**
	$'000	**$'000**
Secured	42,055	40,335
Unsecured	939	67,195
Sub Total	**42,994**	**107,530**

(ii) Amount repayable after one year

	Group	
	31 Dec 2018	**31 Dec 2017**
	$'000	**$'000**
Secured	560,984	407,613
Unsecured	134,419	137,495
Sub Total	**695,403**	**545,108**
Total borrowings	**738,397**	**652,638**

(iii) Details of any collateral

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

l) Share capital and treasury shares

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

	Company	
	31 Dec 2018	**31 Dec 2017**
Total number of issued shares excluding treasury shares	840,778,624	840,778,624

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

Share options, warrants and convertibles

As at 31 December 2018 and 31 December 2017, the Company did not have any employee share option scheme and no outstanding options, warrants or convertibles.

Treasury shares and subsidiary holdings

	Company	
	As at 31 Dec 2018	**As at 31 Dec 2017**
Number of shares held as treasury shares	-	-
Number of subsidiary holdings	-	-
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding	0%	0%

There were no sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings as at the end of the current financial year reported on.

m) Purchase, sales or redemption of the Company's listed securities and cancellation of treasury shares

There was no purchase, sales or redemption of the Company's listed securities and cancellation of treasury shares during the year ended 31 December 2018.

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) Fourth quarter review - 4Q 2018 vs 4Q 2017

The Group posted S$31.3 million in revenue in the quarter ended 31 December 2018 ("4Q 2018'), which was 7% or S$2.3 million lower year-on-year, from S$33.6 million in the quarter ended 31 December 2017 ("4Q 2017").

The lower revenue was mainly attributable to the lease expiry of Westlite Tuas in Singapore, which ceased operations in December 2017. Excluding Westlite Tuas' revenue in 4Q 2017, revenue would have increased 3% year-on-year or S$1.1 million, mainly due to the Group's recent acquisition of dwell Princess Street in Manchester and a strong showing from the workers accommodation in Malaysia, which delivered a high occupancy rate of 96%.

Despite a reduction in revenue, the Group posted S$22.9 million in gross profit in 4Q 2018, as compared to S$22.8 million in 4Q 2017. Gross profit margin improved to 73% as compared to 68% in the corresponding quarter.

Administrative expenses were lower by S$3.2 million, mainly due to the absence of one-off professional fees of S$2.6 million incurred during 4Q 2017, in preparation for the dual primary listing on the Hong Kong Stock Exchange.

Finance expenses increased by S$0.7 million on the back of higher interest rates on borrowings as compared to the previous year, as well as new borrowings to fund the Group's acquisitions.

Share of profit of associated companies and joint venture reduced S$0.4 million, mainly due to reduction in fair valuation gains on investment properties of associated companies and joint venture.

Following a review by independent valuers on the Group's investment properties and assets held for sale, the Group recorded S$48.6 million in net fair valuation gains in 4Q 2018, as compared to S$1.5 million in net fair valuation loss in 4Q 2017. The gains were mainly derived from the Group's student accommodation portfolio in the United Kingdom ("UK'), which continued to achieve high occupancy, consistent earnings and rental growth. Despite uncertainties surrounding Brexit, a positive outlook for UK purpose-built student accommodation asset ("PBSA") over the longer term and a strong market appetite to deploy capital in the sector has led to higher yield compression in 2018.

Income tax expense increased by S$5.4 million mainly due to the provision for deferred tax of S$4.4 million, which arose from the fair valuation gains recognised on the Group's investment properties in Australia, and Malaysia.

Net profit after tax derived from the Group's operations was S$54.0 million, an increase of S$47.0 million from 4Q 2017.

Excluding one-off items including dual-listing expenses, fair valuation gains on investment properties and provision of deferred tax arising from fair valuation gains, the Group posted profit from core business operations of S$9.5 million in 4Q 2018, down S$1.3 million from S$10.7 million in 4Q 2017, mainly due to the absence of Westlite Tuas operations and higher finance expenses.

(a)(ii) Twelve months 2018 review - FY2018 vs FY2017

The Group posted revenue of S$120.1 million in the year ended 31 December 2018 ("FY2018"), a 12% or S$17.0 million decrease from S$137.1 million in the year ended 31 December 2017 ("FY2017").

This was mainly due to the lease expiry of Westlite Tuas, which ceased operations in December 2017. The lower revenue was partially offset by the better performance of the Group's workers accommodation in Malaysia, ASPRI-Westlite Papan as well as student accommodation assets in the UK. Revenue would have increased by S$3.4 million if excluding Westlite Tuas' revenue in FY2017.

Gross profit in FY2018 was S$7.9 million lower, however gross profit margin has improved from 69% to 72% due to the absence of Westlite Tuas's revenue that has a lower gross profit margin and the better revenue performance of ASPRI-Westlite Papan, Malaysia, and United Kingdom assets in term of rents and occupancy rates.

Administrative costs reduced by S$5.8 million on the absence of the dual-listing expenses of S$6.9 million incurred in FY2017. Excluding the non-recurring cost, administrative expenses would have increased S$1.0 million, in line with the Group's expanding business operations.

Finance expenses increased by S$2.4 million, mainly due to higher borrowings due to acquisitions and higher interest rates on the Group's borrowings.

Share of the profit of associated companies and joint ventures increased by S$2.0 million in FY2018, mainly due to fair valuation gains on Westlite Mandai recorded in FY2018, as well as an additional share of the profit from the Centurion US Student Housing Fund launched in late 2017.

The Group recorded a net fair valuation gain of S$48.6 million in FY2018 as compared to a loss of S$1.2 million in FY2017.

Income tax expenses increased S$0.7 million mainly due to the provision for deferred tax arising from fair valuation gains of S$4.4 million in FY2018 as compared to S$2.8 million in FY2017.

Excluding one-off items including fair valuation gains on investment properties, provision of deferred tax arising from the fair valuation gains and dual-listing expenses, profit derived from the Group's core business operations was S$39.6 million in FY2018, down S$9.9 million from the year ago period. Excluding Westlite Tuas' performance from FY2017, profit from core business operations would have been S$1.4 million lower, due to the higher finance cost.

The Group's net profit from core business operations attributable to equity holders of the Company was S$34.3 million, after accounting for the non-controlling interest proportion of the results of ASPRI-Westlite Papan, in which the Group has a 51% interest.

(b) Review of Group Balance Sheet

Assets

In line with the Group's expansion and investing activities, cash and bank balances reduced by S$12.9 million to S$62.9 million as at 31 December 2018. Please refer to (d) review of the Group's cash flow statements for more information.

With the new International Financial Reporting Standard (IFRS) 9, the Group has reclassified assets under "available for sale financial assets" to "financial assets, at fair value through other comprehensive income". Additionally, there was a reduction of S$2.6 million due to the redemption of certain fixed income investments upon maturity and fair value losses on investment.

Investments in associated companies increased S$3.9 million, mainly due to the share of the profits of its associated companies and acquisition of interest in Centurion Student Accommodation Fund.

Investments in joint ventures increased S$4.6 million following the acquisition of interest in IGIS Centurion No. 238 Professional Investors Private Real Estate Investment LLC.

Investment properties increased S$144.8 million following the acquisition of dwell Princess Street in the UK, construction of Bukit Minyak in Malaysia, completion of Adelaide development in Australia as well as asset enhancement works that are currently being carried out for the Group's student accommodation assets in Australia and the UK.

Borrowings & Gearing

As at 31 December 2018, the Group's net gearing ratio is 53%.

Current borrowings reduced $64.5 million from the redemption of MTN of S$65 million, which mature in July 2018.

Non-current borrowings increased S$150 million mainly due to bank borrowings to finance the Group expansion.

The Group generated an operating cash flow of S$57.5 million in FY2018. Interest cover remained adequate and within the Group's threshold at 3.1 times (or 4.4 times interest cover, excluding interest from Multicurrency Medium Term Notes ("MTN"). Developmental and acquired operating assets are primarily funded through long-term borrowings. The existing borrowings have a balance loan maturity profile averaging 8 years.

The Group's balance sheet remained healthy with S$62.9 million cash and bank balances as at 31 December 2018.

(c) Review of Company Balance Sheet

Receivables increased by S$11.2 million mainly due to loans to subsidiaries of the Group to fund its expansion.

(d) Review of Statement of Cash Flows

In FY2018, the Group generated a positive cash flow of S$57.5 million from operating activities.

During FY2018, S$117.1 million was mainly used to fund the acquisition of dwell Princess Street in the UK, completion of the development in Adelaide, Australia as well as development of the Group's accommodation assets, in particular for Westlite Bukit Minyak, Malaysia, RMIT Village, Australia and dwell Cathedral, UK.

The Group generated net cash of S$48.4 million from financing activities in FY2018 after financing was obtained for investments, which was offset by repayment of borrowings and interest paid during the year, as well as the payment of dividends to equity holders.

As a result of the above activities, the Group recorded a decrease in cash and cash equivalents of S$11.3 million in FY2018.

9. (a) Earnings per share

	Group Fourth quarter ended 31 December		Group Twelve months ended 31 December	
	2018	2017	2018	2017
Net profit attributable to equity holders of the Company (S$'000)	53,111	5,891	79,326	31,722
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,778	809,916	840,778	760,836
Weighted average number of ordinary shares outstanding after adjustments for warrants ('000)	840,778	810,046	840,778	760,836
Earnings per ordinary share:				
(i) Basic earnings per share (cents)	6.32	0.73	9.43	4.17
(ii) Diluted earnings per share (cents)	6.32	0.73	9.43	4.17

(b) Net asset value

	Group		Company	
	31 Dec 18	31 Dec 17	31 Dec 18	31 Dec 17
Net asset value per ordinary share (see note below)	60.34 cents	55.06 cents	32.22 cents	32.56 cents

Note:
The Group's and Company's net asset value per ordinary share is calculated based on the Company's total number of existing shares excluding treasury shares, of 840,778,624 ordinary shares for the year ended 31 December 2018 and 31 December 2017.

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

Accommodation Business

As at 31 December 2018, the Group operated a diversified portfolio of 28 operational purpose-built workers and student accommodation assets ("PBWA" and "PBSA", respectively) comprising 55,408 beds across Singapore, Malaysia, Australia, the United Kingdom ("UK") and United States ("US").

The portfolio is expected to grow to 31 assets totalling 62,656 beds by FY2019 following completion of its projects under planning/development and ongoing asset enhancement works, representing an expected increase of 13.1% in bed capacity from FY2018.

(a) Workers Accommodation

The Group had 26,100 beds across four operating workers accommodation assets in Singapore as at 31 December 2018, with a high average occupancy rate of 96.4% for FY2018.

Centurion expects the PBWA sector in Singapore to remain stable, largely due to the lack of new PBWA supply in the pipeline and the low attrition rate of foreign workers[1]. The population of Non-Domestic Foreign Workers with work permits (excluding Foreign Domestic Workers) was at 716,200[2] as at June 2018 (vs 718,400 as at Dec 2017), and while an estimated 36,300 PBWA beds will expire in 2019, no new supply of PBWA beds is expected in 2019.

With that, Centurion remains cautiously optimistic that its workers accommodation business will remain stable and continue to enjoy healthy occupancy and rental, given the Group's well-diversified customer base across different sectors from construction to marine, oil and gas to manufacturing, logistics and services, and the strategic location of its four workers accommodation assets. Service industry clients accounted for less than just 5% of our revenue in FY2018, and anticipated contraction due to tightened employment quota for foreign workers in the service industry is not likely to have significant impact on our business.

As at 31 December 2018, Centurion operated 23,700 beds across six workers accommodation assets in Malaysia. With its assets well-located in key manufacturing hubs, the Group enjoyed an average occupancy of 94% for FY2018.

Looking ahead, the Group expects to benefit from increased demand driven by ethical compliance requirements from the Responsible Business Alliance as well as regulatory control with continued efforts from the Malaysia government to ensure proper housing for foreign workers.

The Group believes that it is well-placed to see growth in occupancy and rental rates. Leveraging on the Group's market leadership position in the PBWA sector, Centurion has expanded beyond the state of Johor to Penang, another important manufacturing hub for multi-national companies. Its latest newbuild PBWA asset, Westlite Bukit Minyak, has received Certificate of Completion and Compliance in January 2019, and expects to receive its first residents from February, with occupancy ramping up progressively over the year.

(b) Student Accommodation

Seeing strong growth potential within the PBSA sector, the Group embarked on three new acquisitions in the UK and South Korea during the year to broaden its geographical reach. As at 31 December 2018, the Group had a portfolio of 5,608 beds across 18 operational assets in the US, UK, Australia and Singapore.

The Group's UK portfolio, which comprises 10 assets strategically located near top universities, achieved a healthy average occupancy of 93.3% for FY2018. The UK maintains its standing as one of the top tertiary education markets in the world with Cushman and Wakefield's data pointing at healthy, resilient demand for quality education institutions in the country.

In line with the Group's commitment to continue seeking opportunities in markets with strong fundamentals, Centurion announced its entry into Nottingham city with completion of dwell Castle Gate Haus' acquisition in the last quarter of 2018, in addition to dwell Princess Street in Manchester earlier in the year.

In Australia, RMIT Village in Melbourne has achieved a stable average occupancy of 84.4% for the year. Excluding beds closed for the Asset Enhancement Programme (AEP), RMIT Village registered an average occupancy of 97.0% for the year. Most of the new 160 beds under development have been completed in January 2019, ahead of commencement of the new academic semester in the following month. The remaining beds are expected to be completed in 2Q 2019.

The Group also reported completion of its newbuild PBSA property, the 280-bed dwell East End Adelaide, in October 2018. Located in the city centre and minutes away from two top universities, the property is open for registration and has been available for rent from January 2019, catering to the student intake for the new academic year. Occupancy for the newly completed dwell East End Adelaide and RMIT Village beds is expected to ramp up progressively and begin accreting revenue over the course of 2019.

Demand for PBSA continues to be strong in Australia, as the international higher education student population grew 11% year-on-year to 690,468[3] in 2018, and is expected to grow to 720,000 - 990,000 by 2025[4]. Against the current population of 690,468 full-time international students, current supply is 76,201[5] PBSA beds.

dwell Selegie maintained a healthy occupancy rate of 88.8% in Singapore during the year, as the asset's prime location and easy accessibility to various education institutions drove high demand from students seeking quality housing. Demand is expected to be stable, with continued demand and commitment from neighbouring institutions and their international students.

The Group successfully entered North Asia market during 4Q 2018, with the acquisition of Benikea Hotel KP in Seoul, South Korea. It was acquired through a joint venture, with the Group owning a 55% stake. The property, to be known as dwell Dongdaemun following the completion of refurbishment works by 1Q 2019, is strategically located in close proximity to four top Korean universities and will capitalise on rising demand for student accommodation in Seoul, one of the world's top 10 student cities[6].

As part of the Group's asset light strategy, six PBSA assets in the US were acquired in 2017 by a private student housing fund established and managed by the Group, in which the Group holds a 28.7% stake. The six assets are located in five states including Connecticut, Florida, Alabama, Texas and Wisconsin, and primarily cater to first-tier universities. Centurion is confident that occupancy will remain healthy, with the US being the first choice for many international students seeking quality tertiary education.

The positive supply-demand dynamics within the PBSA segment and the anti-cyclical resilience of this accommodation asset class point towards a healthy outlook for the Group's strategically-located student accommodation assets.

Investment Management Platform

In December 2018, the Group announced the successful first closing of its second student accommodation fund, the Centurion Student Accommodation Fund ("Fund II"), with an aggregate committed capital of S$70.0 million. With PBSA being a strong and resilient asset class favoured by investors, a reputable educational institution cornerstone investor has committed S$60.0 million at first closing. Following the first drawdown of S$8.8 million, the Group has an approximate 14.29% stake. Fund II currently holds dwell Castle Gate Haus, Nottingham, UK, and aims to generate stable and recurring income to deliver total returns by investing in PBSA assets globally (excluding US).

Investments through these asset light strategies enable fast-paced portfolio growth and expansion of the Group's management services to generate recurring income through asset and property management services.

Growth strategy

The Group remains on track to continue growing its specialised accommodation business globally. It has both portfolio growth and asset light strategies in place, with the former involving selective acquisitions, developments and asset enhancement programmes. The latter seeks to achieve scalable growth through joint ventures, as well as the establishment and provision of investment, asset and property management services.

While the Group remains focused on niche accommodation assets within the PBSA and PBWA sector which generate stable, recurring income streams, it will also consider opportunities to invest in new specialised accommodation types.

Remark:

1.Source: Ministry of Manpower's 3Q 2018 Labour Market Survey, 14 December 2018
2.Source: Ministry of Manpower – Foreign workforce numbers
3.Source: Australian Government Department of Education and Training – No. of international students in Australia
4.Source: Knight Frank Research & Consulting – Student Housing 2018
5.Source: Knight Frank Research & Consulting – Student Housing 2018
6.Source: QS Best Student Cities Rankings 2015-2018

11. Use of Proceeds

SEHK Listing Proceeds

The Company has on 11 December 2017 issued 36,000,000 offer shares pursuant to the dual primary listing in Hong Kong. Each share was offered at HK$3.18 (approximately S$0.55).

The aggregate net proceeds from the share offer received by the Company, after deducting underwriting commissions and expenses paid and payable in connection with the share offer was S$11,859,248.

The total net proceeds of S$11,859,248 received has been utilised to-date on the Adelaide, Australia project of S$10,673,000 which was completed on 30 October 2018 and as general working capital of S$1,186,248. Breakdown of the working capital has been disclosed in an announcement dated 5 December 2018.

12. Dividend

(a) *Current Financial Year Reported On*

Any dividend declared for the current financial year reported on ?

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

Subject to approval by shareholders of the Company at the Annual General Meeting to be held on 25 April 2019, shareholders in Singapore will receive the proposed final dividend of SGD1.0 cent per share. Shareholders in Hong Kong will receive the proposed final dividend of Hong Kong dollar equivalent of HKD5.80 cents per share.

*Exchange used: SGD1 = HKD5.80 as at 28 February 2019.

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

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

Name of Dividend:	Interim dividend	Final dividend	Special dividend
Dividend Type:	Cash	Cash	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share	1.0 cent per ordinary share	0.5 cent per ordinary share
Currency	SGD	SGD	SGD
Tax Rate:	1-tier tax exempt	1-tier tax exempt	1-tier tax exempt

(c) Date Payable

The proposed final dividend, if approved at the Annual General Meeting to be held on 25 April 2019, will be paid on 23 May 2019.

(d) Book Closure Date

For shareholders in Singapore

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 9 May 2019 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 pm on 8 May 2019 will be registered to determine shareholders' entitlements to the proposed final dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5:00 pm on 8 May 2019 will be entitled to the proposed final dividend.

For shareholders in Hong Kong

The Hong Kong branch share register will be closed on 9 May 2019 for the purpose of determining the shareholders' entitlements to the final dividend to be proposed at the forthcoming Annual General Meeting. In order to qualify for the proposed final dividend for shareholders whose names appear on the Hong Kong branch share register, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 pm on 8 May 2019.

The Hong Kong branch share register will be closed from 18 April 2019 to 25 April 2019, both days inclusive, during which period no transfer of shares will be registered, for determining the entitlement to attend and vote at the Annual General Meeting to be held on 25 April 2019. 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 pm on 17 April 2019.

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

	Group	
	2018	**2017**
	$'000	**$'000**
Ordinary shares	16,816	20,568
Preference shares	-	-
Total	16,816	20,568

Dividends distributed by our Company are tax exempt dividends for Singapore tax purposes, which means they will not be subject to Singapore tax in the hands of shareholders. There is also no Singapore withholding tax on dividends paid to non-residents.

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

Not applicable.

15. Audit or review of the financial results

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers LLP, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers LLP in this respect did not constitute an assurance engagement in accordance with Singapore Standards on Auditing, Singapore Standards on Review Engagements, or Singapore Standards on Assurance Engagements and consequently no assurance has been expressed by PricewaterhouseCoopers LLP on the preliminary announcement

16. Review by Audit Committee

The Company established an audit committee (the "Audit Committee") with written terms of reference which deal clearly with its authority and duties. Amongst the committee's principal duties is to review and supervise the Company's financial reporting process and internal controls. The Audit Committee has reviewed with the management and the external auditors of the Company, PricewaterhouseCoopers LLP, the annual results announcement of the Company for the year ended 31 December 2018 and the accounting principles and policies adopted by the Group.

The Company has out-sourced its internal audit function to BDO LLP ("BDO"). The internal auditor reports directly to the Chairman of the Audit Committee and presents their reports and audit findings with regards to the adequacy and effectiveness of the Company's internal control and make recommendations to the Audit Committee.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Gn Hiang Meng, Mr. Chandra Mohan s/o Rethnam and Mr. Owi Kek Hean. Mr. Gn Hiang Meng is the chairman of the Audit Committee.

17. Compliance with Corporate Governance Codes

The Company has adopted the principles and the practices of corporate governance in line with the recommendation of the Singapore Code of Corporate Governance 2012 **(the "2012 Code")** and the applicable code provisions of the Corporate Governance Code (the **"HK CG Code"**) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the SEHK **("the HK Listing Rules")**. In the event of any conflict between the 2012 Code and the HK CG Code, the Group will comply with the more onerous provisions. Throughout the twelve months ended 31 December 2018, the Group has complied with the 2012 Code and the HK CG Code, except those appropriately justified and disclosed.

18. Compliance with Singapore Listing Manual and Hong Kong Model Code

In compliance with Rules 1207(19) of the Listing Manual (the **"Listing Manual"**) of the **SGX-ST** and the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) as set out in Appendix 10 to the HK Listing Rules, the Company has adopted the Code of Best Practices on Securities Transactions by the Company and its Directors and Officers as its code for securities transactions by its Directors and Officers pursuant to the Listing Manual of SGX-ST's and the Model Code's best practices on dealings in securities. In furtherance, specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the twelve months ended 31 December 2018.

The Company and its Officers are not allowed to deal in the Company's shares during the period commencing 30 days immediately before the announcement of the Company's quarterly results and 60 days immediately before the announcement of the Company's full year results, and ending on the date of the announcement of the relevant results.

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

19. Publication of Information on the websites of Hong Kong Exchanges and Clearing Limited, the Company and Singapore Exchange Securities Trading Limited, and Annual General Meeting

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (the "HKEx") at www.hkexnews.hk, the website of the Company at www.centurioncorp.com.sg and the website of the SGX-ST at www2.sgx.com. The annual report of the Company for the twelve months ended 31 December 2018 will be despatched to the shareholders and published on the respective websites of the HKEx, SGX-ST and the Company in due course.

The Annual General Meeting of the Company will be held on Thursday, 25 April 2019.

A notice convening the Annual General Meeting will be published and dispatched to shareholders of the Company in the manner as required by the Hong Kong Listing Rules, the Singapore Listing Manual and the Company's Constitution in due course.

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

No forecast or prospect statement was previously disclosed to shareholders of the Company.

21. **If the Group has obtained a general mandate from shareholders for interested person transactions (the "IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect**

The Company does not have a shareholders' mandate for IPTs.

22. **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). If there are no such persons, the issuer must make an appropriate negative statement**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Tony Bin Hee Din	60	Brother-in-law of Loh Kim Kang, David, a Non-Executive Director and substantial shareholder of the Company.	Executive Director of the Accomodation Business since 1 August 2011 and was re-designated to Managing Director - Accomodation Business with effect from 1 August 2018. There were no changes in his duties and responsibilities.	Nil

23. **Confirmation of Directors' and Executive Officers' Undertakings**

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

As at the date of this announcement, the Board comprises Mr. Teo Peng Kwang as executive director; Mr. Han Seng Juan, Mr. Loh Kim Kang David and Mr. Wong Kok Hoe as non-executive directors; and Mr. Gn Hiang Meng, Mr. Chandra Mohan s/o Rethnam, Mr. Owi Kek Hean and Ms. Tan Poh Hong as independent non-executive directors.