Centurion Corporation Limited
(Company Registration No. 198401088W)

Unaudited Third Quarter Financial Statement and Dividend Announcement for the period ended 30 September 2017

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

1(a)(i) Consolidated Income Statement

	Group Third quarter ended 30 September			Group Nine months ended 30 September		
	2017 $ '000	2016 $ '000	Change %	2017 $ '000	2016 $ '000	Change %
Revenue	32,253	28,130	15	103,522	85,501	21
Cost of sales	(10,489)	(11,246)	(7)	(32,151)	(30,354)	6
Gross profit	21,764	16,884	29	71,371	55,147	29
Other miscellaneous gains - net	396	729	(46)	1,181	1,145	3
Expenses						
- Distribution	(329)	(340)	(3)	(809)	(1,031)	(22)
- Administrative	(6,215)	(4,315)	44	(17,793)	(12,290)	45
- Finance	(5,621)	(5,928)	(5)	(15,669)	(16,743)	(6)
Share of profit of associated companies	1,139	1,590	(28)	2,607	4,370	(40)
	11,134	8,620	29	40,888	30,598	34
Fair value (loss)/gain on investment properties	(1,478)	-	N/M	265	-	N/M
Profit before income tax	9,656	8,620	12	41,153	30,598	34
Income tax expense	(2,253)	(1,480)	52	(10,511)	(5,684)	85
Total profit	7,403	7,140	4	30,642	24,914	23
Attributable to:						
Equity holders of the Company	6,061	7,554	(20)	25,831	25,776	0
Non-controlling interest	1,342	(414)	N/M	4,811	(862)	N/M
Total profit	7,403	7,140	4	30,642	24,914	23

Note 1

Total profit	7,403	7,140	4	30,642	24,914	23
Adjusted for:						
- Fair value loss on investment properties, including those of associated companies	1,522	-	N/M	1,040	-	N/M
- Provide deferred tax arising from fair value gain	126	-	N/M	2,802	-	
- Dual listing expense	1,149	-	N/M	4,238	-	N/M
Profit from core business operations	**10,200**	**7,140**	**43**	**38,722**	**24,914**	**55**

Note 2

Profit attributable to equity holders of the Company	6,061	7,554	(20)	25,831	25,776	0
Adjusted for:						
- Fair value loss on investment properties attributable to equity holders	1,522	-	N/M	2,122	-	N/M
- Provide deferred tax arising from fair value gain	126	-	N/M	2,802	-	N/M
- Dual listing expense	1,149	-	N/M	4,238	-	N/M
Profit from core business operations attributable to equity holders	**8,858**	**7,554**	**17**	**34,993**	**25,776**	**36**

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

	Third quarter ended 30 September			Nine months ended 30 September		
	2017	2016	Change	2017	2016	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Total profit	7,403	7,140	4	30,642	24,914	23
Items that may be reclassified subsequently to profit or loss:						
Currency translation gains/(losses) arising from consolidation	2,639	202	1,206	4,272	(16,292)	N/M
Available-for-sale financial assets - Fair value gain/(loss)	63	2	3,050	38	(16)	N/M
Other comprehensive loss, net of tax	2,702	204	1,225	4,310	(16,308)	N/M
Total comprehensive income	10,105	7,344	38	34,952	8,606	306
Attributable to:						
Equity holders of the Company	8,763	7,758	13	30,141	9,468	218
Non-Controlling Interest	1,342	(414)	N/M	4,811	(862)	N/M
Total comprehensive income	10,105	7,344	38	34,952	8,606	306

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

	Third quarter ended 30 September			Nine months ended 30 September		
	2017	2016	Change	2017	2016	Change
	$ '000	$ '000	%	$ '000	$ '000	%
After (charging) / crediting:						
Interest expense	(5,621)	(5,928)	(5)	(15,669)	(16,743)	(6)
Depreciation and amortisation	(1,177)	(1,918)	(39)	(3,698)	(5,846)	(37)
Allowance for impairment of trade and other receivables	-	(11)	N/M	(110)	(128)	(14)
Currency exchange gain/(loss) (net)	24	156	(85)	46	(787)	N/M
Adjustments for over/(under)provision of prior year tax	25	161	(84)	(1,985)	161	N/M
Net gain on sale of property, plant and equipment	8	46	(83)	11	125	(91)

The other miscellaneous gains - net comprise the following:

	Third quarter ended 30 September			Nine months ended 30 September		
	2017	2016	Change	2017	2016	Change
	$ '000	$ '000	%	$ '000	$ '000	%
Other rental income	64	84	(24)	233	295	(21)
Interest income	274	348	(21)	620	1,139	(46)
Dividend income	29	32	(9)	79	87	(9)
Currency exchange gain/(loss) (net)	24	156	(85)	46	(787)	N/M
Others	5	109	(95)	203	411	(51)
Other miscellaneous gains - net	396	729	(46)	1,181	1,145	3

N/M : Not meaningful

1(b)(i) Balance Sheets

	Group		Company	
	30 Sep 17	31 Dec 16	30 Sep 17	31 Dec 16
	$ '000	$ '000	$ '000	$ '000
Current assets				
Cash and bank balances	101,637	82,545	53,447	34,584
Trade and other receivables	8,902	7,835	15,875	6,419
Inventories	93	103	-	-
Other assets	11,088	3,802	538	257
Available-for-sale financial assets	12,166	2,174	12,166	2,174
Assets held for sale	6,744	7,375	-	-
	140,630	103,834	82,026	43,434
Non-current assets				
Trade and other receivables	-	-	300,885	294,623
Other assets	1,248	130	130	130
Investments in associated companies	77,370	77,236	1,298	1,298
Investments in subsidiaries	-	-	16,898	16,966
Investment properties	950,365	927,406	-	-
Property, plant & equipment	9,010	9,268	356	203
Deferred income tax assets	-	4	-	-
Intangible assets	507	1,856	-	-
	1,038,500	1,015,900	319,567	313,220
Total assets	**1,179,130**	**1,119,734**	**401,593**	**356,654**
Current liabilities				
Trade and other payables	(54,959)	(47,247)	(10,431)	(9,478)
Current income tax liabilities	(9,982)	(10,478)	(869)	(816)
Borrowings	(109,867)	(39,604)	(72,761)	(1,571)
Other liabilities	(325)	(286)	-	-
	(175,133)	(97,615)	(84,061)	(11,865)
Non-current liabilities				
Borrowings	(552,363)	(620,794)	(84,438)	(134,467)
Other liabilities	(462)	(500)	-	-
Deferred income tax liabilities	(4,071)	(1,343)	(18)	(23)
	(556,896)	(622,637)	(84,456)	(134,490)
Total liabilities	**(732,029)**	**(720,252)**	**(168,517)**	**(146,355)**
Net assets	**447,101**	**399,482**	**233,076**	**210,299**
Equity				
Share capital	118,979	89,837	230,290	201,148
Treasury shares	(7,617)	(6,498)	(7,617)	(6,498)
Other reserves	(16,984)	(21,294)	200	162
Retained profits	341,028	330,553	10,203	15,487
	435,406	392,598	233,076	210,299
Non-controlling interest	11,695	6,884	-	-
Total equity	**447,101**	**399,482**	**233,076**	**210,299**
Gearing ratio*	60%	62%		
Net gearing ratio**	51%	55%		

* 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**

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

	As at 30 Sep 17 $'000	As at 31 Dec 16 $'000
Secured	42,449	38,033
Unsecured	67,418	1,571
Sub Total	**109,867**	**39,604**

(b) Amount repayable after one year

	As at 30 Sep 17 $'000	As at 31 Dec 16 $'000
Secured	414,059	501,347
Unsecured	138,304	119,447
Sub Total	**552,363**	**620,794**
Total Debt	**662,230**	**660,398**

(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

	Third quarter ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
	$ '000	$ '000	$ '000	$ '000
Total profit	7,403	7,140	30,642	24,914
Adjustment for:				
Income tax expense	2,253	1,480	10,511	5,684
Depreciation and amortisation	1,177	1,918	3,698	5,846
Allowance for impairment of trade and other receivables	-	11	110	128
Net gain on disposal of property, plant and equipment	(8)	(46)	(11)	(125)
Interest income	(274)	(348)	(620)	(1,139)
Dividend income	(29)	(32)	(79)	(87)
Interest expense	5,621	5,928	15,669	16,743
Share of profits of associated companies	(1,139)	(1,590)	(2,607)	(4,370)
Fair value loss/(gain) on investment properties and assets held for sale	1,478	-	(265)	-
Unrealised currency translation differences	(183)	(1,375)	(300)	1,005
Operating cash flow before working capital changes	16,299	13,086	56,748	48,599
Changes in working capital, net of effects from acquisition of subsidiary				
Inventories	31	23	10	261
Trade and other receivables	482	680	(1,222)	(216)
Other assets	(856)	(1,306)	(1,420)	(1,306)
Trade and other payables	10,589	12,651	9,484	10,952
Cash generated from operations	26,545	25,134	63,600	58,290
Income tax paid - net	(2,937)	(2,680)	(8,061)	(6,552)
Net cash provided by operating activities	23,608	22,454	55,539	51,738
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	22	168	44	407
Additions to investment properties	(5,811)	(5,405)	(16,224)	(86,564)
Purchase of property, plant and equipment	(396)	(1,512)	(1,949)	(3,050)
Purchase of available-for-sale financial assets - listed bonds	(4,104)	-	(9,954)	-
Interest received	274	348	620	1,139
Dividend received	29	32	79	87
Dividend received from an associated company	861	-	1,722	-
Short-term bank deposits charged as security to bank	-	1,271	(171)	(1,254)
Deposits paid for acquisition of investment property	(1,118)	(34)	(1,118)	(34)
Deposits paid	(6,115)	-	(6,115)	-
Net cash used in investing activities	(16,358)	(5,132)	(33,066)	(89,269)
Cash flows from financing activities				
Proceeds from borrowings	6,469	3,651	93,282	62,724
Repayment of borrowings	(10,062)	(4,245)	(94,123)	(18,448)
Interest paid	(6,885)	(4,898)	(15,220)	(14,481)
Proceeds from exercise of warrants	29,142	-	29,142	-
Purchase of treasury shares	-	-	(1,119)	(4,391)
Dividends paid to shareholders	(7,957)	(7,400)	(15,356)	(14,876)
Cash provided by non-controlling interest	-	-	1,470	4,900
Listing expenses paid	(51)	-	(211)	-
Repayment of loan to associated companies	(861)	-	(1,722)	-
Net cash provided by/(used in) financing activities	9,795	(12,892)	(3,857)	15,428
Net increase/(decrease) in cash and cash equivalents held	17,045	4,430	18,616	(22,103)
Cash and cash equivalents at beginning of the period	81,905	106,965	80,219	134,388
Effects of exchange rate changes on cash and cash equivalents	160	(433)	275	(1,323)
Cash and cash equivalents at end of the period	99,110	110,962	99,110	110,962

* The consolidated cash and cash equivalents comprise the following:

Cash and bank balances	101,637	116,263	101,637	116,263
Short-term bank deposits charged as security to bank	(2,527)	(5,301)	(2,527)	(5,301)
	99,110	110,962	99,110	110,962

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

As at 30 September 2017 vs 30 September 2016

GROUP 2017	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Profits $'000	Total Equity $'000	Non-controlling Interest $'000	Total Equity $'000
	← Attributable to equity holders of the Company →						
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	29,142	-	-	-	29,142	-	29,142
Purchase of treasury shares	-	(1,119)	-	-	(1,119)	-	(1,119)
Profit for the period	-	-	-	25,831	25,831	4,811	30,642
Other comprehensive income for the period	-	-	4,310	-	4,310	-	4,310
Balance as at 30 September 2017	**118,979**	**(7,617)**	**(16,984)**	**341,028**	**435,406**	**11,695**	**447,101**

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)
Dividends relating to FY2016 paid	-	-	-	(7,400)	(7,400)	-	(7,400)
Purchase of treasury shares	-	(4,391)	-	-	(4,391)	-	(4,391)
Profit/(loss) for the period	-	-	-	25,776	25,776	(862)	24,914
Other comprehensive loss for the period	-	-	(16,308)	-	(16,308)	-	(16,308)
Balance as at 30 September 2016	**89,837**	**(6,498)**	**(18,644)**	**327,622**	**392,317**	**(82)**	**392,235**

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	29,142	-	-	-	29,142
Purchase of treasury shares	-	(1,119)	-	-	(1,119)
Profit for the period	-	-	-	10,072	10,072
Other comprehensive income for the period	-	-	38	-	38
Balance as at 30 September 2017	**230,290**	**(7,617)**	**200**	**10,203**	**233,076**

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)
Dividends relating to FY2016 paid	-	-	-	(7,400)	(7,400)
Purchase of treasury shares	-	(4,391)	-	-	(4,391)
Profit for the period	-	-	-	10,238	10,238
Other comprehensive loss for the period	-	-	(16)	-	(16)
Balance as at 30 September 2016	**201,148**	**(6,498)**	**168**	**7,564**	**202,382**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 January 2017	756,873,338	201,148
Issue of new shares pursuant to the warrants exercised	58,283,887	29,142
As at 30 September 2017	815,157,225	230,290

	Company	
	30 Sep 17	30 Sep 16
Number of warrants outstanding	16,508,847	74,792,734
Number of shares held as treasury shares	19,449,600	16,908,900
Number of subsidiary holdings	-	-
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding	2%	2%

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 Sep 17	31 Dec 16
Total number of issued shares excluding treasury shares	795,707,625	739,964,438

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

	Company	
	No. of shares	
	Nine months ended 30 September	
	2017	2016
Beginning of financial period	16,908,900	5,071,400
Purchase of treasury shares	2,540,700	4,187,000
	19,449,600	9,258,400

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable

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			
		Third quarter ended 30 September		**Nine months ended 30 September**	
		2017	**2016**	**2017**	**2016**
(a)	Based on weighted average number of ordinary shares on issue	0.79 cents	1.02 cents	3.47 cents	3.46 cents
(b)	On a fully diluted basis	0.79 cents	1.02 cents	3.47 cents	3.46 cents

Note:
The earnings per share is calculated based on weighted average number of ordinary shares in issue of 754,124,952 for Q3 2017 and 744,295,751 for 9M 2017 (Q3 2016: 739,964,438 and 9M 2016: 744,475,891 ordinary shares).

The weighted average number of shares used for the calculation of EPS based on fully diluted basis is 755,264,002 for Q3 2017 and 744,295,751 for 9M 2017 (Q3 2016: 739,964,438 and 9M 2016: 744,475,891 ordinary shares).

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 financial period reported on; and
(b) immediately preceding financial year.

	Group		**Company**	
	30 Sep 17	**31 Dec 16**	**30 Sep 17**	**31 Dec 16**
Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on	54.72 cents	53.06 cents	29.29 cents	28.42 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 795,707,625 (2016: 739,964,438) 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) Third quarter review – Q3 FY2017 vs Q3 FY2016

The Group's revenue for the quarter ended 30 September 2017 ("3Q 2017") rose by 15%, or S$4.1 million, to S$32.3 million year-on-year.

The double-digit growth was largely contributed by ASPRI-Westlite Papan, which obtained its temporary occupation permit ("TOP") in May 2016, and has since achieved an average occupancy of over 95% in 3Q 2017. In addition, Westlite Woodlands and the six operating workers accommodation assets in Malaysia reported stronger occupancy of 99% and 86%, respectively, which also contributed to the Group's revenue growth in 3Q 2017.

The Group's gross profit in 3Q 2017 increased 29%, from S$16.9 million to S$21.8 million year-on-year, in line with the increase in revenue, while cost of sales was slightly lower due to the reduced amortization from Westlite Tuas. Westlite Tuas's lease was expected to expire on 30 April 2017 and hence, the intangible assets on favourable lease in Westlite Tuas was substantiately amortized by 30 April 2017. The group benefited from the lease extension in generating additional revenue during the quarter without the need to recognize similar amounts of amortization expenses compared to the corresponding period.

Administrative expenses were higher by S$1.9 million, mainly due to professional fees of S$1.1 million incurred during 3Q 2017 in preparation of the proposed dual primary listing of its ordinary shares on the Main Board of the Stock Exchange of Hong Kong Limited ("SEHK"). No such cost was incurred in previous corresponding quarter ended 30 September 2016 ("3Q 2016"). Excluding this non-recurring cost in 3Q 2017, administrative expenses increased S$0.8 million, in line with the Group's expanded business operations.

A fair valuation exercise was conducted by independent valuers on the Group's investment properties as at 30 September 2017, comprising workers and student accommodation assets for the purpose of the dual listing on the SEHK, and a net fair valuation loss of S$1.5 million was recognised in 3Q 2017 which reverses partially the net fair valuation gain recognized in 1H 2017. No fair valuation exercise was done in 3Q 2016 as the Group's annual valuation exercises are done at the end of each financial year.

The income tax expense increased by S$0.8 million mainly due to the higher profit for 3Q 2017, before accounting for fair value loss and dual listing expenses which are not tax deductible.

The net profit after tax derived from the Group's operations for 3Q 2017 was S$7.4 million, a year-on-year increase of 4%, or S$0.3 million.

Excluding one-off items in the form of fair value loss on investment properties, deferred tax arising from fair value gains and dual listing expense, the Group's profit from core business operations recorded a growth of 43% from S$7.1 million in 3Q 2016 to S$10.2 million in 3Q 2017.

The Group's net profit from core business operations attributable to equity holders of the Company increased by 17%, from S$7.6 million in 3Q 2016 to S$8.9 million in 3Q 2017, after accounting for the non-controlling interest proportion of the results of ASPRI-Westlite Papan, in which the Group has a 51% interest.

(a)(ii) Nine months 2017 review – 9M FY2017 vs 9M FY2016

The Group registered an increase of 21% in revenue, from S$85.5 million in the nine months ended 30 September 2016 ("9M 2016") to S$103.5 million in the corresponding period in 2017 ("9M 2017").

The strong growth was largely attributed to the improved performance of the Group's worker accommodation assets in Singapore, particularly the newer workers accommodation assets such as Westlite Woodlands and ASPRI-Westlite Papan. The Group also recorded higher occupancy for its workers accommodation assets in Malaysia due to the relaxing of foreign workers hiring freeze, as well as contributions from its UK Braemar student accommodation assets which were acquired in 3Q 2016.

Gross profit for the Group in 9M 2017 improved by 29%, or S$16.2 million, year-on-year on the back of the revenue growth from the expansion of the Group's accommodation business and reduced amortisation cost of Westlite Tuas.

Administrative costs increased by S$5.5 million, largely due to the dual listing expenses of S$4.2 million and Group's expanded business operations.

Share of the profit of associated companies reduced by S$1.8 million in 9M 2017 mainly due to the fair value loss on investment property of Westlite Mandai.

For the purpose of the dual listing exercise, updated valuation of the Group's investment properties as of 30 September 2017 was performed by independent valuers, which resulted in a net fair valuation gain of S$0.3 million recorded in 9M 2017 (9M 2016: nil).

Income tax expense increased by S$4.8 million mainly due to the provision for deferred tax of S$2.8 million, which arose from the cumulative fair valuation gains recognised for the Group's investment properties in Australia, China and Malaysia.

The net profit after tax derived from the Group's operations for 9M 2017 was S$30.6 million, a year-on-year growth of 23%, or S$5.7 million.

Excluding one-off items in the form of fair value gains on investment properties, deferred tax arising from the cumulative fair value gains and dual listing expenses, the net profit after tax derived from the Group's core business operations recorded a growth of 55%, or S$13.8 million, from S$24.9 million in 9M 2016 to S$38.7 million in 9M 2017.

The Group's net profit from core business operations attributable to equity holders of the Company increased by 36%, from S$25.8 million in 3Q 2016 to S$35.0 million in 3Q 2017, after accounting for the non-controlling interest proportion of the results of ASPRI-Westlite Papan, in which the Group has a 51% interest.

(b)(i) Review of Group Balance Sheet

Assets

Cash and bank balances increased S$19.1 million, largely due to net cash provided by operating activities of S$55.5 million, of which S$33.1 million and S$3.9 million was used for investing and financing activities, respectively. Please refer to b(iii) review of the Group's cash flow statements for details.

Other assets (current) increased S$7.3 million, mainly due to S$6.1 million of deposits paid for the proposed acquisition of a portfolio of six student accommodation assets in the United States of America ("U.S.").

Available-for-sale financial assets increased S$10.0 million mainly due to investments in corporate bonds during the period to enhance interest yields on the Group's unutilised cash.

Investment properties increased by S$23.0 million, largely due to the investments, development and enhancement works for the Group's workers and student accommodation assets in Malaysia, Australia and United Kingdom ("UK").

Borrowings & Gearing

The Group was in a net current liabilities position of S$34.5 million due to the reclassification of the MTN of S$65 million, which is maturing in July 2018, from long term borrowings to current liabilities. The Group currently has sufficient cash resources and banking facilities (both in aggregate of approximately S$235.0 million) available to meet the financing needs of the maturing MTN and its current liabilities.

As at 30 September 2017, the Group's net gearing ratio was lower at 51%, as compared to 55% as at 31 December 2016, largely due to the proceeds from exercise of warrants.

The Group continued to generate stable and strong operating cash flow before working capital changes of S$56.7 million, a 17% increase from S$48.6 million in 9M 2016. The Group's interest cover of 4.2 times (or 6.2 times interest cover, excluding interest from the MTN) 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 continues to generate a net operating cash flow surplus of S$13.4 million (earnings from core business operations before interest, tax, depreciation and amortisation after deducting income tax paid, interest and loan principal repayments) in 9M 2017.

The Group's balance sheet remains healthy and robust with S$101.6 million cash and bank balances. To ensure sustainable growth in the long run, the Group will carefully balance between acquiring operating assets, which will contribute to the current income and investing in development projects for future growth.

Equity

Share Capital increased S$29.1 million in relation to the New Shares issued pursuant to warrants exercised.

(b)(ii) Review of Company Balance Sheet

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

Available-for-sale financial assets increased S$10.0 million mainly due to investment in corporate bonds during the period to enhance interest income yields for its unutilised cash.

Borrowings increased by S$21.2 million, largely due to the issue of S$85 million MTN and offset against repayment of borrowings.

(b)(iii) Review of Cash Flow Statement

In 9M 2017, the Group generated a positive cash flow of S$56.7 million from operating activities before working capital changes.

During 9M 2017, cash of S$33.1 million in investing activities was mainly used for the development, enhancement and acquisition of the Group's accommodation assets, in particular for dwell Adelaide, Westlite Bukit Minyak, RMIT Village and various assets in the UK, as well as the purchase of available-for-sale financial assets.

Net cash of S$3.9 million was used in financing activities mainly due to proceeds from exercise of warrants S$29.1 million, financing obtained largely from the MTN offset by the repayment of borrowings, interest paid and $15.4 million dividends paid during the period. In addition, there was also purchase of treasury shares during the period.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents of S$18.6 million, and continues to maintain a healthy cash and cash equivalent balance of S$99.1 million as at 30 September 2017.

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.**

Accommodation Business

As at 30 September 2017, the Group operated a diversified portfolio of 21 workers and student accommodation assets comprising approximately 61,600 beds across four countries.

(a) Workers Accommodation

As at 30 September 2017, the Group had a total of 34,700 beds across five operating workers accommodation assets in Singapore, maintaining a healthy overall occupancy rate of approximately 92%.

The market demand for purpose-built workers accommodation ("PBWA") is expected to remain stable in the near term. In the first nine months of 2017, approximately 16,500 PBWA beds were removed from the market as their land leases had expired. In addition, the land leases for approximately 9,000 PBWA beds are also due to expire in 2017. Notwithstanding that some of these leases may be renewed or extended by the authorities, the overall market for PBWA is anticipated to remain healthy due to the continued shortage of an estimated 150,000 to 180,000 beds in the PBWA sector.

In the third quarter of 2017, the Singapore economy grew at the fastest pace since the first quarter of 2014, largely attributable to the manufacturing sector^1. The construction sector is expected to benefit from the government stimulus which includes S$1.4 billion worth of public sector infrastructure projects brought forward in 2017-2019^2. The demand for low-skilled workers to fulfil the various projects will translate to a strong demand for foreign workers.

Given the quality and strategic location of Centurion's workers accommodation assets, coupled with the signs of improvement in the Singapore economy and stimulus to construction demand, the outlook for the Group's Singapore accommodation portfolio remains positive as the authorities continue to place emphasis on the proper treatment of foreign workers in Singapore, including the standards of their accommodation.

The Group announced on 1 November 2017 that the tenure for Westlite Tuas will expire on 30 January 2018, after the end of the 9-month extension of lease previously offered by the Ministry of National Development ("MND"). MND has not granted a further extension of the lease as the site is needed for redevelopment. As a result, the Group will no longer benefit from the additional revenue contribution from Westlite Tuas. The Group is in the process of shifting the residents at Westlite Tuas to the other workers accommodation owned by the Group, as well as to a pre-arranged workers accommodation nearby with available bed capacity. Concurrently, the Group is working with the Building and Construction Authority on the reinstatement and return of the land by 30 January 2018.

In Malaysia, as at 30 September 2017, the Group operated approximately 23,700 beds across six workers accommodation assets. The overall occupancy rate of the Group's PBWA assets in Malaysia experienced a healthy increase and is presently close to 90%. The increased occupancy rates is the result of the Group's ramped-up marketing efforts and the Malaysian government permitting the hiring of more foreign workers in the manufacturing sector.

As the occupancy rates for the Group's existing Malaysia assets continue to increase, the Group will continue to leverage on its first-mover advantage and established position to meet the long-term demand for PBWA beds in Malaysia.

Overall, the Group maintains a positive outlook on the demand for PBWA in Singapore and Malaysia in the near term, given the positive demand and supply dynamics and government actions that could potentially favour the sector in both countries.

(b) Student Accommodation

As at 30 September 2017, the Group had a portfolio of 3,208 student accommodation beds across 10 purpose-built student accommodation ("PBSA") assets in the United Kingdom ("UK"), Australia and Singapore. The Group remains confident that the student accommodation sector will stay resilient and continue to perform well, given the strong demand and shortage of PBSA assets in key tertiary education hubs such as the United States, UK and Australia.

In the UK, the Group's eight student accommodation assets, which all operate under the dwell brand, continued to perform well with an overall occupancy rate of over 97% for the reporting quarter, compared to 95% in the second quarter ended 30 June 2017. The Group expects demand for its PBSA beds in the UK to remain strong, underpinned by the continued undersupply of PBSA beds and year-on-year increase in student acceptance by the UK universities.

As at 30 September 2017, RMIT Village achieved a healthy occupancy rate of close to 100% on 417 available beds, following the closure of 39 beds for its asset enhancement programme ("AEP"). In 2Q 2017, the Group launched an AEP for the development of a new wing in RMIT Village, which would add up to 160 new beds to the asset. The AEP is expected to be completed in the fourth quarter of 2018, and will cater to the student intake for the 2019 academic year. The Group's development project, dwell Adelaide, which was acquired in March 2017, is on track for its expected completion in the fourth quarter of 2018.

In Singapore, dwell Selegie's occupancy rate improved from the previous quarter to approximately 96% as at 30 September 2017, as the asset's attractive city location and accessibility to the various education institutions in the vicinity continues to be a draw for student residents.

In July and August 2017, Centurion announced plans to acquire up to 30% interest of a portfolio of six high quality student accommodation assets, totalling 2,140 beds across five states in the United States, for an aggregate purchase consideration of approximately US$206 million (S$283 million^3). The proposed acquisition is currently pending completion, which is expected to be in the fourth quarter of 2017.

The outlook for the Group's student accommodation assets remains positive, given the healthy occupancy rate of the Group's assets, the attractive locations of its PBSA assets, and the general strong demand and undersupply of PBSA beds of the markets that the Group operates in.

(c) Moving forward

The Group will continue to selectively explore opportunities to grow its accommodation business through targeted and strategic expansion in existing and new markets and joint ventures. The Group will also explore growth opportunities through asset light strategies, including establishing and providing investment, asset and property management services.

(d) Corporate Action

On 27 June 2017, the Group announced that it has submitted an application to the Stock Exchange of Hong Kong Limited ("SEHK") for the listing and permission to deal in the Shares on the Main Board of the SEHK. This application follows an earlier announcement by the Group in April 2017 on the proposed dual listing of Centurion shares. The success of the proposed dual listing will be subject to prevailing market conditions and the Group will provide updates through announcements when there are major developments.

Remarks:
^1. Channel NewsAsia, 13 Oct 2017, "Strong manufacturing drives Singapore GDP growth to 4.6% in Q3"
^2. Based on speech by Minister of National Development Lawrence Wong on 28 Sep 2017
^3. Based on exchange rate of US$1.00 : S$1.3762

11 Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on ?

None

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

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

None

(c) Date Payable

Not applicable

(d) Book Closure Date

Not applicable

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.

In previous financial years, the Company has received net proceeds of S$406,249 in relation to the issuance of new share pursuant to warrants exercised. During the period ended 30 September 2017, additional 58,283,887 warrants were exercised and coresspondingly the Company issued 58,283,887 new shares and received the proceeds of S$29,141,943.
Total proceeds of S$29,548,192 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 third quarter ended 30 September 2017 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
8 November 2017

Loh Kim Kang David

BY ORDER OF THE BOARD
Kong Chee Min
Chief Executive Officer
8 November 2017