Centurion Corporation Limited

STRENGTHENING GROWTH EXPANDING PRESENCE

ANNUAL REPORT 2014

CONTENTS

6
PROJECTS
under
planning /
development
FY2014
REVENUE
S$84.4
million
13
ACCOMMODATION
ASSETS
in operation
NET PROFIT
S$31.1
million
(from core
business
operations)

CORPORATE PROFILE

Centurion Corporation Limited ("Centurion" or the "Group") has grown to be one of Singapore's largest workers and student accommodation owner-operators. It develops, owns and operates quality workers accommodation in the region and student accommodation assets in Australia and the United Kingdom. It also operates an optical storage media manufacturing business.

Established in 1981 as an audio cassette tape manufacturing business in Singapore, it became one of the market leaders in the optical storage media industry and was listed on the mainboard of the SGX-ST in 1995. Following a reverse acquisition exercise in 2011, the Group successfully diversified into the accommodation business to capture growth opportunities in this niche market.

As at 31 December 2014, Centurion has a strong portfolio of 13 operational accommodation assets totalling 40,362 beds. It has eight workers accommodation assets, managed under the Westlite brand, with 38,000 beds in Singapore and Malaysia, as well as five student accommodation assets with 2,362 beds in Australia and the United Kingdom. Upon completion of the development of two workers accommodation assets in Singapore and four in Malaysia, the Group's accommodation portfolio is expected to grow to over 74,000 beds in 2017.

Beyond Singapore and Malaysia, the Group owns a site for the proposed development of workers accommodation in Jakarta, Indonesia as well as a land plot in Port Hedland, Western Australia for proposed development as a short-stay accommodation catering to the region's mining industry.

Leveraging its expertise in workers accommodation, the Group diversified into the student accommodation business with the acquisition of RMIT Village in Melbourne, Australia as well as four student accommodation assets in Liverpool and Manchester, United Kingdom. Besides exploring the potential to enhance these assets, the Group plans to grow its student accommodation portfolio in key educational hubs around the world.

With a clear growth strategy to actively enhance its assets, identify strategic acquisitions and joint ventures, as well as develop customised accommodation management services to third party owners, Centurion is well positioned to become one of the region's leading provider of quality accommodation.

OUR VISION

To be one of Asia's leading providers of quality accommodation and related professional management services.

OUR MISSION

To be an accommodation provider of choice through a holistic management approach, offering our residents quality and comfortable accommodation within a safe and active community.

OUR CORE **VALUES**

OUR CORE VALUES reflect our passion to meet our customers' business objectives and provide services that promote the well-being of our stakeholders.

01

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

02

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

03

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

04

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

SIGNIFICANT **EVENTS IN 2014**

FEB 2014
Acquisition of RMIT Village, Australia

Completed the acquisition of RMIT Village student accommodation and the adjoining car park building, in Melbourne, Australia. It marked its first foray into the student accommodation business.

MAR 2014
Substantial shareholder announcement

Lian Beng Group became a substantial shareholder of Centurion with a 5.026% stake.

APR 2014
Official opening of Westlite Mandai

Officially opened Westlite Mandai in a ceremony presided by Mr Tan Chuan-Jin, Minister for Manpower. The 6,300-bed workers accommodation and M-Space, a ramp-up industrial development, is a 55-45% joint venture between Lian Beng Group and Centurion.

MAY 2014
Announcement of special interim cash dividend

Announced a one-off special interim cash dividend of 0.5 cent per share.

JUN 2014
Acquisition of freehold land in Johor, Malaysia

Acquired a 7.6-acre freehold land in Nusajaya, Johor, Malaysia, through a joint-venture.

AUG 2014
First acquisition in Penang, Malaysia

Made its first entry into Penang, Malaysia with the acquisition of a land parcel for the development of a 5,000-bed workers accommodation close to Bukit Minyak Industrial Park, on the mainland of Penang.

SEP 2014
Acquisition of four student accommodation assets in the United Kingdom

Achieved a milestone with its largest acquisition to date comprising four student accommodation assets in the United Kingdom. Three assets are located in Manchester and one in Liverpool, adding 1,906 beds to its existing student accommodation portfolio.

OCT 2014
Increase of the multicurrency medium term note programme limit to S$500 million

Updated its S$300 million multicurrency medium term note programme and increased the maximum aggregate principal amount of notes that may be issued under the programme to S$500 million. The net proceeds arising from the issue of notes will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital.

NOV 2014
Second acquisition in Penang, Malaysia

Won an open tender from Penang Development Corporation, a government statutory board in Penang, Malaysia, to design, build and operate a purpose-built workers village in Juru, Penang, to house approximately 12,000 workers.

DEC 2014
Strategic Parnership with the Association of Process Industry (ASPRI) to develop a workers accommodation cum training centre in Singapore

Selected to jointly develop a 7,900-bed workers accommodation and training centre with Lian Beng Group, the integrated development will house a 3,000 sqm ASPRI training centre providing training courses for the process industry workers who are also residents of the facility.

JOINT **CHAIRMAN** AND **CEO** STATEMENT

DEAR SHAREHOLDERS,

Centurion achieved an exceptional performance for the financial year ended 31 December 2014 ("FY2014"). We strengthened our leading position as one of the largest independent accommodation owner-operators in Asia, with strategic investments and partnerships in both workers and student accommodation businesses. Our operations are now not only bigger in Singapore and Malaysia, but also broader with new assets in Australia and the United Kingdom.

RECORD PERFORMANCE IN FY2014

We delivered record financial results in FY2014, achieving a Group revenue growth of 48% to reach S$84.4 million – the highest revenue ever in our corporate history. Net profit from our core business operations also grew a significant 63%, and registered a record figure of S$31.1 million.

Driven by broad-based growth in our accommodation business, we have made significant headway this year and diversified our earnings through the successful expansion into student accommodation business in Australia and the United Kingdom. At the same time, we continued to strengthen the operational performance of our existing workers accommodation assets, added bed capacity in Singapore through asset enchancement initiatives and delivered new projects in Malaysia.

Overall, the Group registered a net profit of S$111.2 million for FY2014, also the highest it has ever achieved, including fair valuation gains of S$62.8 million derived from the Group's and joint venture's investment properties as well as a share of profits of S$17.3 million from the sale of the jointly-owned industrial development, M-Space.

MR WONG KOK HOE
Chairman

MR KONG CHEE MIN
Chief Executive Officer

JOINT **CHAIRMAN** AND **CEO** STATEMENT

In view of the Group's record performance and to reward shareholders for their strong support, the Board of Directors have proposed a final dividend of 1.0 cent per ordinary share compared with 0.6 cent in FY2013, which represents a 67% increase. The Company had also declared and paid a one-off special interim dividend of 0.5 cent per share for 1Q FY2014, due to the profit recognised from the sale of M-Space.

STRENGTHENING GROWTH, EXPANDING PRESENCE

In our home market Singapore, we grew our workers accommodation portfolio from 19,700 beds last year to 23,500 in FY2014. Our three operational assets in Singapore continued to experience high occupancy levels on a portfolio basis.

As part of our growth strategy in Singapore, we entered into a strategic partnership with the Association of Process Industry ("ASPRI"), to jointly develop a 7,900-bed workers accommodation and training centre in Jalan Papan, together with the Lian Beng Group. This project is scheduled to be completed by mid-2016 and will house an integrated ASPRI training centre, as part of government-led initiatives to improve competencies and productivity of the process industry.

In Malaysia, we made significant progress and expanded our presence beyond Johor with three additional land acquisitions. In particular, we made our first foray into Penang with the acquisition of a plot of land near Bukit Minyak as well as won a government-initiated tender to work along with Penang Development Corporation, a government statutory board to design, build and operate a purpose-built workers village with approximately 12,000 beds in Juru Penang.

Another major milestone for the Group in FY2014 was the acquisition of four student accommodation assets in the United Kingdom, our largest acquisition to date. These four assets are all strategically located within established education precincts near to many highly regarded universities with large student populations, and have easy access to main university campuses and the city. Three assets are located in Manchester and one in Liverpool, with a total of 1,906 beds.

Earlier in the year, the Group also completed the acquisition of RMIT Village in Melbourne, Australia. In aggregate, the Group successfully acquired five student accommodation assets, with 2,362 beds in FY2014, a notable diversification and addition of a new stable revenue stream on top of its workers accommodation. Given the healthy demand of purpose-built student accommodation in these education hubs, the assets are expected to perform well and contribute positively to the Group's earnings.

WELL - POSITIONED FOR FUTURE GROWTH

Moving forward, the Group will continue to explore opportunities to further grow its workers and student accommodation business in both existing and new markets. For FY2015, we look forward to the increase of bed capacity for the Group's accommodation portfolio with the expected completion of Westlite Woodlands in Singapore, and Weslite Tampoi and Westlite Senai II in Malaysia.

While we have decided to defer and reconsider a REIT listing, we remain committed to growing our accommodation business, while focusing on enhancing operational capability and actively managing our assets to continue this positive momentum for the Group. As at 31 December 2014, the Group continues to generate strong free cash flow and maintain a healthy balance sheet with an average bank loan maturity profile of 12 years. To ensure sustainable growth in the long run, the Group will carefully balance between operating assets which are contributing to current income and projects under development which provide for future growth.

In closing, we would like to sincerely thank our shareholders, customers, business partners and staff for their steadfast support throughout the Group's journey as we continue to strengthen our operational capabilities and further grow our accommodation businesses. Our commitment is to move forward with the Group's strategy to selectively explore attractive opportunities to further enhance value for our shareholders. With your support, we look forward to sharing more successes in the upcoming year ahead.

Yours faithfully,
WONG KOK HOE *(Chairman)*
KONG CHEE MIN *(Chief Executive Officer)*

BOARD OF **DIRECTORS**

MR WONG KOK HOE

MR KONG CHEE MIN

MR WONG KOK HOE

Non-Executive Chairman

Mr Wong joined the Board on 1 August 2011. He is also a member of the Audit and Remuneration Committees. He was last re-elected a Director of the Company on 23 April 2014.

Mr Wong is the Group Chief Operating Officer of Centurion Global Ltd, the controlling shareholder of the Company. He is responsible for the operations of Centurion Global Ltd and its subsidiaries' investments across a wide range of industries in various jurisdictions.

Prior to joining Centurion Global Ltd in 2009, Mr Wong was a partner in a local advocates and solicitors firm. He has more than 18 years of experience in legal practice where he specialised in corporate law, corporate finance, mergers and acquisitions and venture capital.

Mr Wong holds a Bachelor of Law (Honours) degree from the National University of Singapore.

MR KONG CHEE MIN

Executive Director and Chief Executive Officer

Mr Kong was appointed as Chief Executive Officer of the Group in August 2011 and oversees its operations and strategic growth. Mr Kong joined the Group in 1996 and was appointed to the Board on 28 March 2000. He was last re-elected a Director of the Company on 26 April 2013.

Prior to his appointment as the Group's Chief Executive Officer, Mr Kong was the Group's Regional CEO and Finance Director, responsible for the Group's overseas optical disc business operations as well as the Group's finance, accounting, information technology, administration and corporate management functions. He also assisted Mr Lee Kerk Chong, founder of the Group in managing and driving the strategic development and growth of the Group's Optical Disc Business.

Mr Kong is a Certified Public Accountant with over 24 years of finance and corporate management experience. He worked in an American MNC as well as an international public accounting firm before joining the Group in 1996. Mr Kong graduated with a Bachelor of Accountancy degree from Nanyang Technological University. He is also a member of the Institute of Singapore Chartered Accountants.

BOARD OF DIRECTORS

MR LEE KERK CHONG

MR TONY BIN HEE DIN

MR LEE KERK CHONG

Executive Director - Optical Disc Business

Mr Lee was first appointed to the Board in 1984 and is an Executive Director, primarily responsible for the strategic planning and overall management of the optical storage manufacturing operations of the Group. He is also a member of the Nominating Committee. He was last re-elected a Director of the Company on 26 April 2012.

Mr Lee is the founder of the Group's optical media business segment, formerly known as SM Summit Holdings Limited. Over the years, he grew the business from a single factory producing audiocassette tapes into an integrated optical storage media solutions provider in the region. Mr Lee's career in the media storage industry spans 40 years and he brings his vast entrepreneurial experience and strong management skills to the Group.

MR TONY BIN HEE DIN

Executive Director – Accommodation Business

Mr Bin joined the Board on 1 August 2011. He was last re-elected a Director of the Company on 23 April 2014. As an Executive Director, he is primarily responsible for the strategic planning and overall management of the Group's accommodation business. Mr Bin is also the Chief Executive Officer of Centurion Properties Pte Ltd ("Centurion Properties"), a subsidiary of Centurion Global Ltd, the ultimate controlling shareholder of the Company.

Mr Bin joined Centurion Properties in 2007 and has been managing its accommodation business since 2008. Prior to joining Centurion Properties, Mr Bin was the concurrent General Manager of Guthrie Properties, Heartland Retail Holdings and AsiaMalls Management Pte Ltd from 1999 to 2007. Between 1989 and 1999, Mr Bin was in the financial industry, specifically in the areas of corporate banking (real estate) and debt capital markets. Between 1984 and 1989, he was with a statutory board and a property developer. Mr Bin graduated from the National University of Singapore in 1984 with a degree in Bachelor of Science (Estate Management). Mr Bin is the brother-in-law of Mr Loh Kim Kang David, a controlling shareholder of the Company.

BOARD OF **DIRECTORS**

MR GN HIANG MENG

MR CHANDRA MOHAN S/O RETHNAM

MR GN HIANG MENG

Lead Independent Director

Mr Gn was appointed as Non-Executive Independent Director of the Group on 17 May 2007 and as Lead Independent Director on 1 March 2014. He was last re-elected a Director of the Company on 26 April 2013. Mr Gn is also the Chairman of both the Audit and Nominating Committees and a member of the Remuneration Committee.

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

Mr Gn graduated with a Bachelor of Business Administration (Honours) degree from the then University of Singapore.

He is also an Independent Director of Haw Par Corporation Limited, Koh Brothers Group Limited, SingHaiyi Group Limited and TEE International Ltd.

MR CHANDRA MOHAN S/O RETHNAM

Non-Executive Independent Director

Mr Mohan was appointed as a Non-Executive Independent Director of the Company on 17 May 2007 and was last re-elected a Director on 26 April 2012. He is also the Chairman of the Remuneration Committee and a member of both the Audit and Nominating Committees.

Mr Mohan is presently an Advocate and Solicitor and a Partner of a law firm in Singapore. Prior to that, he was a lecturer with the Faculty of Law at the National University of Singapore, which he joined in 1987. On top of his experience in law, he is also a Fellow of the Singapore Institute of Arbitrators and the UK Chartered Institute of Arbitrators. His academic qualifications include a Bachelor of Law (Honours) degree from the University of Singapore and a Master of Law degree from the University of Cambridge.

SENIOR **MANAGEMENT**

MS FOO AI HUEY

Chief Financial Officer

Ms Foo was appointed as the Group's Chief Financial Officer in August 2011 after the Group enlarged its principal business activities to include the Accommodation Business. She was previously the Group's Finance Manager when she joined in April 2000. Currently, she heads the finance team and manages the full spectrum of finance accounting and tax functions for the Group including its financial and management reporting requirements.

Prior to joining the Group, Ms Foo was a Senior Accountant of MOH Holdings Pte Ltd (formerly known as "Health Corporation of Singapore Pte Ltd") and had also worked as an internal auditor in a Singapore listed company. She has accumulated more than 22 years of finance and accounting related experience covering internal audit, taxation, internal control, financial accounting, cost and management accounting in the accommodation, manufacturing, service and health care industries. Ms Foo holds a Bachelor of Commerce from the University of Newcastle, Australia and is a member of the Institute of Singapore Chartered Accountants and CPA Australia.

MS LEE GEOK ING JANICE

Group HR & Admin Manager

Ms Lee was first appointed to the Board on 11 August in 1994. She resigned from the Board on 18 May 2007 and remains as Group Human Resource and Admin Manager. She is the sister of Mr Lee Kerk Chong and has been with the Group since its incorporation. As HR & Admin manager, she currently oversees the Group's human resource development, administration, security and facilities management. Ms Lee is equipped with 30 years of accounting, human resource and administrative experience, and was an external auditor with a local public accounting firm and had worked in a private company overseeing its finance, administration and human resource matters before joining the Group.

MR TEO PENG KWANG KELVIN

Chief Operating Officer – Accommodation Business

Mr Teo was appointed as Chief Operating Officer of the Group's Accommodation Business in August 2011. He is presently responsible for the day-to-day operations and expansion of the Group's Accommodation Business. He also assists the Executive Director – Accommodation Business in growth and strategic planning. Mr Teo joined in 2007 as executive director of Centurion Dormitory (Westlite) Pte Ltd, one of the Group's acquired subsidiaries in 2011.

Mr Teo has over 28 years of experience in the property and workers accommodation development and management business. Prior to 2007, Mr Teo was involved in the operations of various dormitories in Singapore for approximately 17 years. Mr Teo's extensive experience also includes the development of a condominium and two terraced housing projects as well as the upgrading of a hotel and several other landed properties.

Mr Teo is also the President of the Dormitory Association of Singapore Limited and a member of the Board of Trustees of the Migrant Workers' Assistance Fund, Migrant Workers' Centre.

MR HO LIP CHIN

Director, Investments – Accommodation Business

Mr Ho joined the Group in January 2012 as Director, Investments. He is responsible for growing the Group's Accommodation Business and assists in strategic planning activities. Mr Ho has over 15 years of experience in real estate and hospitality industries across Asia Pacific. Prior to joining the Group, he was the Director, Real Estate at Centurion Properties, where he was involved in its real estate investments and accommodation business.

Mr Ho had previously worked with global companies including Pramerica Real Estate Investors, GE Real Estate and InterContinental Hotels Group in the areas of investment, fund management, asset management, business development and marketing. Mr Ho graduated from the University of San Francisco with Masters of Business Administration and Bachelor of Science in Business Administration degrees.

SENIOR **MANAGEMENT**

MR LEONG SIEW FATT

Group Technical & Operations Director –
Optical Disc Business / Accommodation Business

Mr Leong joined the Group in 1993 as an engineer and was promoted to his current position of Group Technical and Operations Director in 2001, responsible for the Group's optical disc technical and manufacturing operations. In 2013, given the scaling down of the Group's optical disc business operations year-on-year, Mr Leong undertook the role of overseeing the day-to-day operations of the Group's workers accommodation in Malaysia. In addition, he is currently in charge of setting up and establishing the Group's student accommodation operations overseas. Mr Leong has extensive technical, operational and management experience spanning over 30 years. Prior to joining the Group, he was with the Singapore Armed Forces and worked in several private organisations. He graduated with a Bachelor of Engineering Management degree from the University of Western Sydney.

MR YEO BOON HING DAVID

Group Regional Sales & Marketing Director –
Optical Disc Business

In his current role, Mr Yeo is responsible for the regional sales and marketing function of the Group's optical disc business. He has a wealth of in-depth sales and marketing experience and management experience in both local and multi-national organisations. Mr Yeo first joined Summit CD Manufacture Pte Ltd, a Singapore subsidiary of the Group, as Sales and Marketing Director in 1997.

Besides his role as Regional Sales & Marketing Director at Group level, Mr Yeo is also presently the Chief Executive Officer of Summit CD Manufacture Pte Ltd overseeing its local operations. Academically, Mr Yeo holds a Bachelor of Science degree with double majors in Finance and Marketing.

MR HARYADI HANDOKO

Executive Director of PT Digital Media Technology –
Optical Disc Business

Mr Haryadi Handoko first joined the Group's subsidiary in Indonesia, PT Digital Media Techonlogy ("DMTech") in September 2003 as Business Development Manager and was subsequently promoted to Sales & Marketing - General Manager in 2007. Thereafter in 2014, he was promoted to his current position as Executive Director and he is responsible for the strategic planning, expansion and day-to-day operations of DMTech.

Mr Haryadi has over 14 years of sales & marketing experience. Prior to joining the Group, he worked with MNC and International Corporation as Sales & Marketing Manager such as Daewoo International Corporation, Dharmala Intiland, and Aneka Infokom for Toshiba Notebook Sales. He graduated with a Bachelor of Science in computer science degree from Nihon University Chiyoda-ku, Tokyo Japan.

EXPANDING OUR PRESENCE

Our bed capacity has increased from 5,300 beds in FY2011 to 40,362 beds in FY2014, an eight-fold increase over three years. This growth is expected to continue at a steady pace to over 74,000 beds with the completion of developmental projects in 2017.

The Group expanded its geographical reach with its maiden foray into the United Kingdom with the acquisition of four quality student accommodation assets in Manchester and Liverpool – both well-established education hubs. For its workers accommodation business, another milestone was reached with the Group's two land acquisitions in Penang, expanding its existing presence in Malaysia.

These strategic investments further boost and diversify the Group's revenue streams.

BUSINESS **PORTFOLIO**

BUSINESS OVERVIEW

The Group made significant progress in 2014. We made our first student accommodation investment in Australia and expanded our geographical presence with our largest acquisition to date of four noteworthy assets in the United Kingdom. In Malaysia, we widened our reach with our first two land acquisitions in Penang and a further land acquisition in Johor.

In Singapore, we will be working with Lian Beng Group, in strategic partnership with the Association of Process Industry ("ASPRI") to develop a unique purpose-built workers accommodation integrated with a 3,000 sqm training centre, located in Jalan Papan close to Jurong Island.

Our portfolio continues to strengthen with these new additions and will comprise over 55,200 beds by the end of 2015 across Singapore, Malaysia, Australia and the United Kingdom.

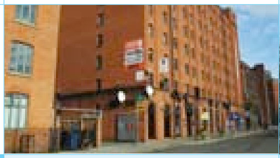
SINGAPORE					
Name	**Westlite Toh Guan**	**Westlite Mandai** (45% owned)	**Westlite Tuas**	**Westlite Woodlands**	**Westlite Papan** (51% owned)
					
Description	This is a purpose built workers accommodation catering to workers in all industries. It comprises of eight blocks of accommodation, including a new 18-storey block that was completed in January 2014. Each unit is equipped with en-suite bathrooms, toilets, dining area and kitchen. The development has a variety of amenities and recreational facilities, including roof garden in each block for residents to unwind and relax.	Officially opened in April 2014, this purpose built accommodation caters to workers in all industries. Each unit has en-suite bathrooms, toilets, dining area and kitchen. The premises include several recreational and sporting facilities, including cricket battling courts (first in a Singapore workers accommodation). It is also one of the largest, amongst the handful of purpose built workers accommodation that sits on a freehold land.	Westlite Tuas was awarded the prestigious BCA Green Mark Gold Award in 2010, in recognition of its eco-friendly design and features. Catering primarily to workers from the construction industry, this purpose built accommodation provides large communal kitchens, shared toilets, bathrooms as well as various essential amenities, recreational and sporting facilities.	Located at Woodlands Avenue 10, this purpose-built workers accommodation cater to the process, marine and manufacturing industries. When completed in Q3 2015, it will add an additional 4,100 beds to the Group's existing portfolio.	Westlite Papan is an integrated development comprising of a purpose-built workers accommodation and ASPRI training centre to cater to the housing and training needs of workers from the process industry. Strategically located in close proximity to Jurong Island, the development is expected to be completed by mid-2016.
Land Tenure	60 years (wef 1997)	Freehold	3+3+3 years (wef 2008)	30 years (wef 2013)	23 years (wef 2015)
Land Area (sqm)	11,685	8,000	37,870	9,542	14,817
Property Status	Operational	Operational	Operational	Under development (Expected completion in 3Q 2015)	Under development (Expected completion in mid-2016)
Number of Beds	8,600	6,300	8,600	4,100	7,900

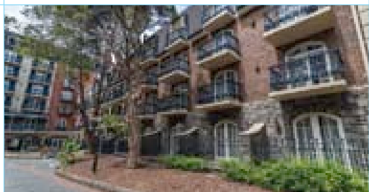
BUSINESS **PORTFOLIO**

MALAYSIA					
Name	**Westlite Tebrau**	**Westlite Johor Tech Park**	**Westlite Desa Cemerlang**	**Westlite Pasir Gudang**	**Westlite Senai**
					
Description	Westlite Tebrau is one of Johor's first purpose-built workers accommodation, providing bedrooms with shared bathrooms, cooking facilities, living and dining areas for the residents.	Westlite Johor Technology Park was officially opened in January 2014. It is said to be the largest purpose-built workers dormitory built and managed in Johor.	Westlite Desa Cemerlang is strategically located near the major manufacturing hubs in Johor, providing residents easy access to and from work.	Westlite Pasir Gudang comprises four residential blocks, and provides clean and spacious bedrooms, complemented with various recreational activities.	Westlite Senai is located near established industrial parks in Senai where several major multinational electronics manufacturers are based.
Land Tenure	60 years (wef 2000)	99 years (wef 2013)	Freehold	99 years (wef 1986)	Freehold
Land Area (sqm)	5,721	14,314	15,555	8,391	6,880
Property Status	Operational	Operational	Operational	Operational	Operational
Number of Beds	2,500	5,800	1,600	2,000	2,600

MALAYSIA					
Name	**Westlite Tampoi**	**Westlite Senai II**	**Nusajaya, Johor** (49% owned)	**Westlite Juru, Penang**	**Westlite Minyak, Penang**
					
Description	Westlite Tampoi is a newly opened purpose-built workers accommodation, comprising six - five storey blocks that became operational in January 2015. Amenities include a supermarket and other recreational areas.	Westlite Senai II is currently under construction, and is expected to be completed in late 2015.	The acquired plot of land is located in the Nusajaya district, one of the five flagship zones of Iskandar Malaysia, in close proximity to several major industrial hubs.	Located in Juru Penang, this land was acquired in late 2014, through an open tender by Penang Government to develop a foreign workers village. To be developed over two phases, this government initiated development aims to provide a conducive living environment for approximately 12,000 foreign workers.	The acquired plot of land is located on the mainland of Penang in close proximity to Bukit Minyak Industrial Park, Science Park as well as the new Batu Kawan Industrial Park. This workers accommodation is planned to house approximately 5,000 beds with comprehensive facilities and amenities.
Land Tenure	Freehold	Freehold	Freehold	99 years	Freehold
Land Area (sqm)	28,328	16,430	30,756	50,990	17,887
Property Status	Under development (Completed in January 2015)	Under development (Expected completion in 4Q 2015)	Land use conversion in progress	Under planning (Phase 1 expected completion in 2017)	Under planning (Expected completion in 2016)
Number of Beds	5,300	5,500	To be advised	6,000 (Phase 1), 6,000 (Phase 2)	5,000

BUSINESS **PORTFOLIO**

UNITED KINGDOM				
Name	**Manchester Student Village**	**Manchester Student Village South**	**The Grafton**	**Cathedral Campus**
				
Description	Manchester Student Village is conveniently located and provides easy access to the University of Manchester and Manchester Metropolitan University campuses, as well as Manchester City Centre. It has a capacity of 1,022 bedrooms arranged predominately as three and four cluster bedrooms with shared kitchen and bathroom facilities.	Manchester Student Village South is situated at an excellent location, within a10-minute walk from the city campuses to the North and Fallowfield to the South. It offers 355 student bedrooms arranged as 4 en-suite bedroom cluster flats with shared kitchen and lounge facilities.	The Grafton is a modern student accommodation facility and is located just off the main Oxford road and short walk to the University of Manchester's main campus. It offers 145 student bedrooms arranged as two and three cluster bedrooms with shared kitchen and bathroom facilities.	Cathedral Campus is conveniently located in close proximity to the highly regarded Liverpool John Moores University, Liverpool Institute of Performing Arts, as well as Liverpool City Centre. It offers 384 student bedrooms arranged as four or five bedroom townhouses with shared kitchen and bathroom facilities.
Land Tenure	Freehold	Freehold	Freehold	250 years (wef 2007)
Land Area (sqm)	4,403	6,151	882	16,106
Property Status	Operational	Operational	Operational	Operational
Number of Beds	1,022	355	145	384

	AUSTRALIA		INDONESIA
Name	**RMIT Village**	**Land at Port Hedland**	**Land at Bekasi**
			
Description	Affiliated to RMIT University as a student accommodation facility. RMIT Village in Melbourne is strategically located close to Melbourne's Central Business District, in a well-established education precinct. It is in close vicinity to RMIT University and the University of Melbourne. It comprises 229 apartments and has a current capacity of 456 beds with an adjoining car park building.	The Group acquired a plot of land at Port Hedland in Western Australia for a short stay accommodation development catering to the mining industry. The land is undergoing a re-zoning process to "Mixed Business" and short stay accommodation.	The acquired plot of land is located in the eastern part of Jakarta in the Bekasi District, approximately 30km from Central Jakarta in Indonesia. The Group is evaluating the development of an accommodation to house workers as well as middle-level executives working in nearby industrial parks.
Land Tenure	Freehold	Freehold	30 years (wef 2013)
Land Area (sqm)	6,206	4,434	7,220
Property Status	Operational	Rezoning in progress	Under evaluation
Number of Beds	456	To be advised	To be advised

BREAKTHROUGH PERFORMANCE

FY2014 was a year of exceptional financial performance with the accommodation business driving the Group's growth. We registered our highest revenue ever of S$84.4 million, as well as a record net profit of S$31.1 million from core business operations equating to a 63% growth compared to last year.

We look forward to strengthening our presence and seek further strategic growth opportunities in both existing and new markets. The Group is on track to grow its workers and student accommodation businesses to deliver greater value to our shareholders and achieve stronger results over the next few years, with bed capacity expected to reach over 74,000 in 2017.

FINANCIAL **REVIEW**

The Group achieved excellent financial results in FY2014, recording its highest revenue ever at S$84.4 million, an increase of 48% from S$57.1 million in FY2013. Net profit from the Group's core business operations grew at an even faster rate of 63% to hit a record S$31.1 million. This strong performance was backed by the Group's successful expansion of its workers and student accommodation portfolio across various markets.

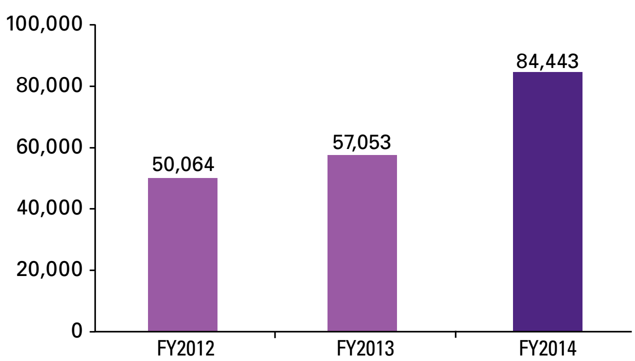
KEY FINANCIAL HIGHLIGHTS

(S$'000)	FY2013	FY2014	Change %
Revenue	57,053	84,443	+48%
Net Profit (recurring, excluding one-off items)	19,058#	31,119*	+63%
Net Profit Margin (recurring, excluding one-off items)	33%	37%	+4pp
Net Profit (include one-off items and discontinued operations)	92,158	111,150	+21%

* *Net Profit for FY2014 excludes fair valuation gains arising from investment properties and one-off trading profits from sale of the jointly-owned industrial property development.*

\# *Net Profit for FY2013 excludes fair valuation gains arising from investment properties and one-off impairment charge on the Group's optical disc plant and equipment.*

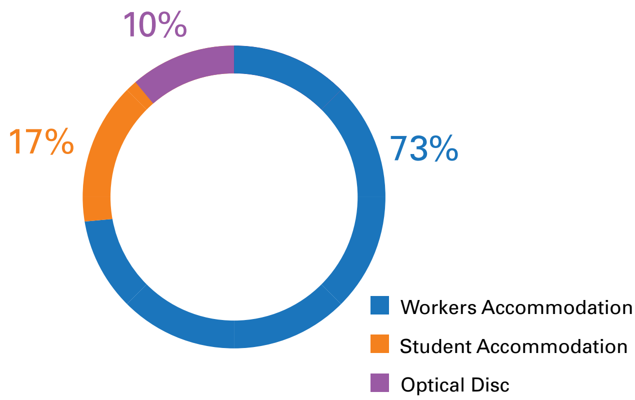
REVENUE (S$'000)



In FY2014, the Accommodation Business continued to be the Group's key revenue driver, contributing 90% of the Group's revenue with the Optical Disc Business accounting for the remaining 10%. As a result of the increase in bed capacities at its workers accommodation assets in Singapore and Malaysia, together with maiden revenue from its student accommodation assets in Australia and the United Kingdom, the Group's Accommodation Business posted a significant 62% growth in revenue from S$47.3 million in FY2013 to S$76.4 million in FY2014.

As the Group continues to drive and sustain the growth momentum of its workers and student accommodation portfolio, along with the gradual decline of the Optical Disc business, the Accommodation Business is expected to contribute an increasingly larger proportion of the Group's total revenue.

REVENUE BY BUSINESS SEGMENT



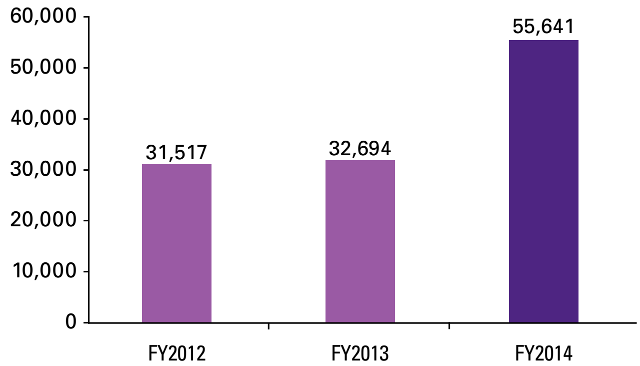
Revenue from the Group's workers accommodation grew 31%, or S$14.6 million, from S$47.3 million in FY2013 to S$61.9 million in FY2014. This segment contributed the bulk of the Group's Accommodation Business revenue, accounting for 73% of the Group's total revenue. The robust growth in revenue from this segment was primarily due to the expanded capacities at Westlite Toh Guan which achieved full occupancy during the year, as well as continued improvement in occupancy rates at its Malaysian workers accommodation assets.

In FY2014, the Group added a new dimension to its revenue mix to include revenue from student accommodation assets in Australia and the United Kingdom. This new segment contributed S$14.6 million, or 17%, of the Group's total revenue. Besides diversifying the Group's revenue stream beyond workers accommodation and into new geographical markets, the Group expects student accommodation to continue to provide stable recurring income moving forward.

Revenue from the Group's Optical Disc Business, which accounted for about 10% of the Group's revenue in FY2014, registered a marginal decrease to S$8.0 million due to continued weak market demand for physical optical disc media. The Group will continue to calibrate its operational capacity according to the structural shifts in demand.

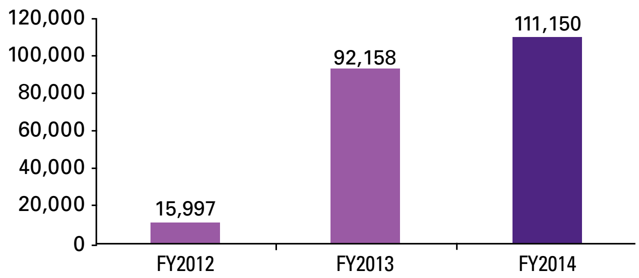
FINANCIAL **REVIEW**

GROSS PROFIT (S$'000)



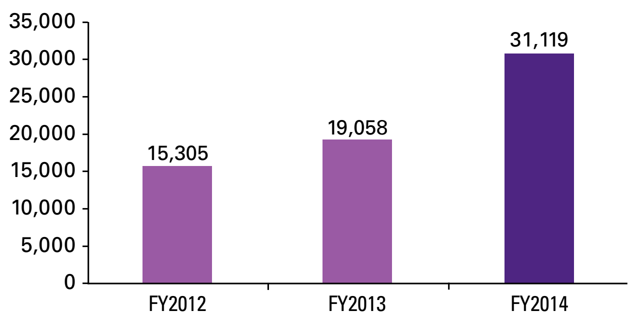
The Group's gross profit improved by a significant 70% to reach S$55.6 million in FY2014, compared to S$32.7 million in FY2013. The improvement was mainly due to the increased revenue contribution from the Accommodation Business. With the expansion of bed capacities in Singapore arising from the Group's asset enhancement initiatives, the Group achieved high occupancy rates across most of its accommodation assets, which led to its gross profit margin increasing by nine percentage points to reach a healthy 66%.

NET PROFIT (S$'000)



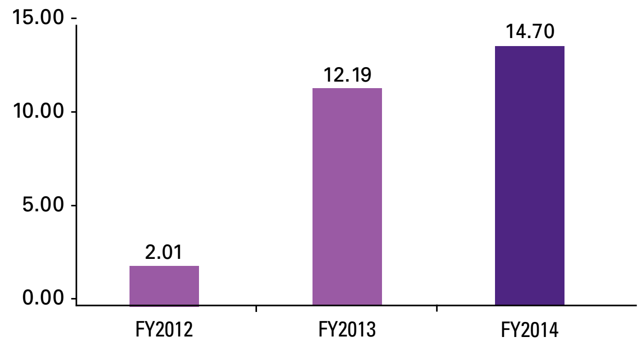
Overall, the Group registered a total net profit of S$111.2 million, including fair value gains of S$62.8 million derived from the Group's and the joint venture's investment properties as well as trading profits of S$17.3 million from M-Space, an industrial property development.

NET PROFIT FOR CORE OPERATIONS (S$'000) (excluding one-off items)

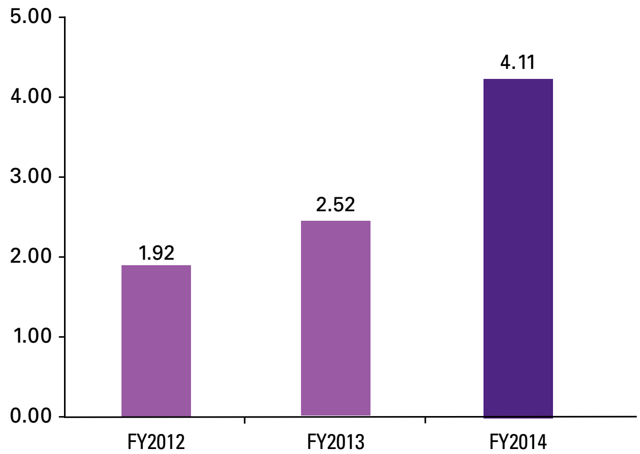


Excluding fair valuation gains arising from investment properties and one-off trading profits, net profit from the Group's recurring core business operations in FY2014 grew 63% to reach a record S$31.1 million. The Accommodation Business contributed S$30.2 million to the net profit, while the Optical Business contributed S$0.9 million notwithstanding the loss of S$69,000 from its discontinued operations.

EARNINGS PER SHARE (CENTS)



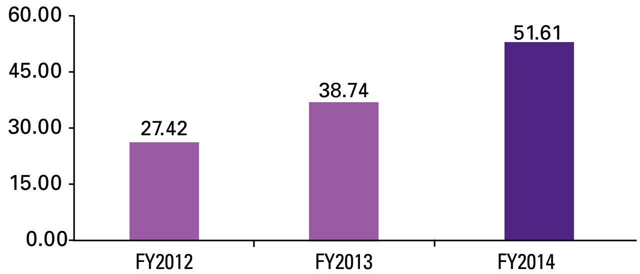
EARNINGS PER SHARE FOR CORE OPERATIONS (CENTS) (excluding one-off items)



Earnings Per Share ("EPS") in FY2014 rose 21% to 14.70 cents per share from 12.19 cents per share in FY2013. Excluding the one-off items such as fair valuation gains derived from the Group's and joint venture's investment properties as well as profits from the sale of the jointly-owned industry property development, EPS derived from core business operations increased 63% to 4.11 cents per share in FY2014 from 2.52 cents in the previous year.

FINANCIAL **REVIEW**

NET ASSET VALUE PER SHARE (CENTS)



Net Asset Value ("NAV") per share for the Group rose 33% to 51.61 cents in FY2014, on the back of stronger financial performance from its core business operations and the sale of industrial development, coupled with fair value gains which reflect the market value of the Group's assets.

BALANCE SHEET

The Group's balance sheet remains healthy and robust with S$63.1 million in cash and cash equivalents. Investment properties increased considerably to S$684.4 million due to the acquisitions of its student accommodation assets in Australia and the United Kingdom, workers accommodation projects in Singapore and Malaysia, and S$40.3 million from fair value gains. Borrowings increased by S$245.3 million, reflecting bank loans obtained to finance the acquisitions of student accommodation assets and development of workers accommodation projects in FY2014.

Despite the increase in borrowings, the Group's gearing ratio stood at a comfortable 52%. As of 31 December 2014, the Group continues to report a strong free cash flow and maintain a healthy balance sheet with an average bank loan debt maturity profile of 12 years for its developmental and operating assets.

DIVIDENDS

Centurion is focused on enhancing long-term shareholders' value by growing our businesses to deliver sustainable earnings growth.

While the Company does not have a fixed dividend policy, it has been rewarding shareholders with cash dividends since FY2012. With the strong performance in FY2014, the Group has proposed to pay a second and final dividend of 1.0 cent per ordinary share for FY2014. When combined with the special interim dividend of 0.5 cents per ordinary share declared in the first quarter of the year, the total amount to be distributed for FY2014 would be 1.5 cents per ordinary share.

The Board will aim to continue to propose payment of dividends to reward shareholders, after taking into consideration the Group's profits, financial position and projected capital requirements for business growth.

COMPANY SHARE INFORMATION

Stock Code (SGX)	OU8
Closing Price (as at 31 Dec 2014)	S$0.505
Market Cap (as at 31 Dec 2014)	S$382.2 mil
Closing Price Range (FY2014)	S$0.480 - S$0.775

* Source : Bloomberg

OPERATIONS **REVIEW**

OUR GLOBAL OPERATIONS

FY2014 was yet another year of outstanding growth for the Group. The progress we made further entrenched our market position as a leading provider of quality accommodation and services. We continued to build upon our stable operational performance and expanded our presence in existing markets, while diversifying our portfolio with the largest milestone acquisition of four quality student accommodation assets in the United Kingdom.

As at 31 December 2014, our portfolio consists of 13 operational accommodation assets, four projects under development and two projects under planning. We adopt a balanced approach in managing our portfolio of assets. While we are constantly on the lookout for attractive opportunities, we also carefully evaluate and prioritise our investment opportunities, based on our principle of prudent capital management and enhancing shareholder value in the long run.

Singapore: Maintaining Our Strong Presence

Singapore remains our key home market with three operational workers accommodation continuing to experience high occupancy levels on a portfolio basis. Along with two additional assets under development, our strong presence in Singapore is highlighted with our current capacity of 23,500 beds and a healthy pipeline of 12,000 beds expected to come on stream in the next couple of years.

We kick-started FY2014 with the completion of asset enhancement works at Westlite Toh Guan. We added a new 18-storey block to the existing seven blocks of 5 to 6-storey accommodation, hence increasing its bed capacity to 8,600 beds and expanding its existing recreational and commercial facilities. In view of its good location and our pre-marketing efforts, the new bed capacity of about 3,500 beds was taken up quickly within a short period of six months from completion. Since then, Westlite Toh Guan has been operating at close to full occupancy.

In April 2014, Westlite Mandai, a joint venture with Lian Beng Group, was officially opened in a ceremony presided by Minister of Manpower Mr Tan Chuan-Jin. The ceremony was a success and attracted significant media coverage. More importantly, it highlighted the government's ongoing efforts to regulate workers dormitories in Singapore, with the aim of eventually housing foreign workers in quality purpose-built accommodation – a strong signal that Centurion is on the right growth path. Within the first quarter of FY2014, all the beds in the second phase of Westlite Mandai were taken up and it is currently enjoying close to full occupancy.

The Opening Ceremony of Westlite Mandai was officiated by Mr Tan Chuan-Jin, Minister for Manpower

Unlike Westlite Toh Guan and Westlite Mandai which cater to workers in all industries, the Group's third operational asset in Singapore, Westlite Tuas, caters primarily to workers in the construction industry. With the tightening of quotas for foreign workers in the construction industry, we have experienced some weakness in the demand for beds at Westlite Tuas but have nevertheless succeeded in sustaining a relatively high occupancy rate of about 90%.

Foreign newspapers for residents to keep tabs on home country news

Westlite Woodlands, which is the Group's fourth workers accommodation in Singapore, is presently under construction and expected to be completed in 3Q 2015. This 4,100-bed development is strategically located near the Woodlands industrial hub, targeting workers from the process, marine and manufacturing industries sited in the northern part of Singapore. Westlite Woodlands will feature 3-bedroom units to provide more privacy for workers who work on shifts.

The Group wrapped up FY2014 with a strategic partnership with the Association of Process Industry ("ASPRI"). To be jointly developed with Lian Beng Group, this 7,900-bed ASPRI-Westlite Dormitory – Papan is Singapore's first dedicated and integrated accommodation featuring an ASPRI training centre for the Process Construction and Maintenance ("PCM") industry. Sited on approximately 1.5 hectares of land in Jalan Papan, the purpose-built workers accommodation is strategically located near Jurong Island, which is home to more than 100 global energy and chemical companies, allowing residents to commute conveniently to and from work. Targeting to complete by mid-2016, this PCM industry-led initiative is expected to be strongly supported by ASPRI members.

Westlite Papan comprises two 18-storey blocks and an integrated training centre

Malaysia: Extending Our Reach Into Penang

In Malaysia, the Group gained further traction, expanding its presence with two new land acquisitions in Penang and one in Johor. Its Malaysia portfolio comprises five operating assets with a total bed capacity of 14,500, two assets with 10,800 beds under development, as well as two more accommodation with 17,000 beds under planning.

We are pleased that the occupancy rates of our Malaysia assets on a portfolio basis have now reached above 90%. With more multinational companies recognising the Group's proven record in the accommodation business, it is expected that occupancy and rental rates will continue to increase across our Malaysian assets.

Westlite Johor Tech Park is located near to many manufacturing plants

The start of FY2014 marked the official opening of Westlite Johor Tech Park in January 2014, officiated by YB Datuk Tee Siew Kiong, Johor State Executive Councillor and Chairman of the Johor State Executive Committee for Tourism, Trade and Consumer Affairs, and witnessed by government representatives from both Johor and Singapore. We are proud that Westlite Johor Tech Park was acknowledged by Datuk Tee as the first-of-its-kind in Malaysia as well as one of the best fully-equipped accommodation for foreign workers providing outstanding facilities.

In June 2014, the Group acquired a piece of land in Nusajaya district, one of the five flagship zones of Iskandar Malaysia and in close proximity to several major industrial hubs. The Group is currently seeking relevant approvals for the freehold land to be converted from agricultural to dormitory use.

Another key achievement in FY2014 was the Group's foray outside of Johor, into Penang with the acquisition of a plot of land near Bukit Minyak Industrial Park in August 2014 and another located at Juru in November 2014. Westlite Minyak, with 5,000 beds under planning, is expected to be completed in late 2016. Westlite Juru is a design-build-and-operate purpose-built workers village with approximately 12,000 beds, that the Group won through a tender initiated by the Penang Development Corporation, a government statutory board in Penang. The first phase is currently under planning and is expected to provide 6,000 beds when completed in 2017, while the second phase is planned

OPERATIONS **REVIEW**

to be completed within two years after the completion of the first phase.

Residents having fun on Westlite Day at Westlite Johor Tech Park

Looking ahead into the new year, Westlite Tampoi became operational in January 2015. It has a bed capacity of 5,300 beds and caters primarily to workers from the nearby Tampoi Industrial Park. Westlite Senai II is currently undergoing construction and is expected to complete in 4Q 2015, adding another 5,500 beds to the Group's portfolio. Overall, these two developments will boost the Group's portfolio by an additional 10,800 beds in FY2015.

Australia: Stable Returns From Student Accommodation Operations

Cafe and Glasshouse in RMIT Village, a recreational area that students love to be in for games and interaction

The Group's first foray into the student accommodation business was the acquisition of RMIT Village in Melbourne, Australia. Affiliated to RMIT University as its student accommodation facility, RMIT Village is an established 456-bed student accommodation strategically located in a well established education precinct, in close vicinity to RMIT University and the University of Melbourne. It operates close to full occupancy.

United Kingdom: New Market Focused On The Growing Student Accommodation Business

In FY2014, the Group's acquisition of four quality student accommodation assets in the United Kingdom allowed it to leapfrog into a new geographical market with a robust and growing student population. These four operational assets are located in well-established education hubs, with a strong track record of achieving high occupancy rates over the last three years. This acquisition adds 1,906 beds to the Group's student accommodation portfolio. The large bed capacity provides the Group with immediate scale and a good platform for future investments in the country.

Manchester Student Village

Manchester Student Village is well located in the city centre

Manchester Student Village is a freehold purpose-built student accommodation conveniently located in the city centre at the heart of popular Oxford Road, and provides easy access to internationally renowned institutions such as the University of Manchester and Manchester Metropolitan University campuses. Its capacity of 1,022 bedrooms is arranged predominantly in three and four cluster bedrooms with shared kitchen and bathroom facilities. The campus has 24-hour security and student residents are able to relax and socialise on-site with a popular student bar as well as in the large common room with a pool table, widescreen TV and working space. It operates close to full occupancy in current 2014/15 academic year.

Manchester Student Village South

Manchester Student Village South is located in a popular student area

Manchester Student Village South is a freehold purpose-built student accommodation situated at a popular location off Wilmslow Road, within a few minutes walk from the city's main University campuses, supermarkets, eateries and other recreational amenities. University of Manchester and Manchester Metropolitan University are just 10 to 15 minutes walk away. It has consistently enjoyed high occupancy rates, offering 355 student bedrooms arranged predominately in four en-suite bedroom cluster flats with shared kitchen and lounge facilities. It operates close to full occupancy in current 2014/15 academic year.

The Grafton

The Grafton offers luxurious rooms in a prefect location

The Grafton, a freehold student property, is a high quality, modern student accommodation facility located just off the main Oxford Road and just a short walk away to the University of Manchester's main campus, the Royal Northern College of Music and All Saints campus. It offers 145 student bedrooms with varying sizes and all rooms having access to a balcony. The two or three cluster bedrooms all provide a shared fully-fitted designer kitchen, quality bathroom facilities and central heating. Campus amenities include an on-site laundry, convenience store and CCTV security. It enjoys close to full occupancy in current 2014/15 academic year.

Cathedral Campus

Cathedral Campus is a unique property located within a gated environment

Cathedral Campus is student property with 250-year (wef 2007) long leasehold interest situated in the heart of an established education hub, Liverpool. It is conveniently located in close proximity to the highly regarded Liverpool John Moores University, Liverpool Institute of Performing Arts, as well as The University of Liverpool. The campus offers 384 student bedrooms arranged as either four or five bedroom townhouses with shared kitchen and bathroom facilities and a separate lounge area. It is a gated environment with sprawling land area which provides for future asset enhancement and development of communal space which could uniquely differentiate itself from other student property apartments available in Liverpool. It operates close to full occupancy in current 2014/15 academic year.

STRENGTHENING GROWTH

We have made healthy progress in strengthening our growth to become a leading accommodation owner-operator in Asia. We will continue build and leverage upon our experience and expertise in workers accommodation as well as strengthen our operational capabilities in student accommodation, while keeping an eye for the right opportunities to grow our business.

As we grow our operations, we will keep to the heart of our business to provide quality accommodation and active community living in a safe and comfortable environment, through our holistic management approach.

MARKET **OUTLOOK**

MARKET OUTLOOK

Accommodation Business

The overall outlook for the Group's Accommodation Business remains encouraging, supported by stable demand for both its workers and student accommodation across Singapore, Malaysia, Australia and the United Kingdom. Contributions of growth are expected to come from the newly acquired student accommodation assets in the United Kingdom. The completion of Westlite Woodlands in Singapore, Westlite Tampoi and Westlite Senai II in Malaysia, totalling 14,900 beds will also provide the pipeline and earnings growth for the Group in 2015.

Moving forward, the Group will continue to selectively explore attractive opportunities to further grow its Accommodation Business.

Workers Accommodation - Singapore

Singapore remains a key market for the Group, with 23,500 beds across three operating workers accommodation. Westlite Woodlands is currently under construction and expected to be operational in 3Q 2015 adding 4,100 beds to the portfolio. Our fifth and latest project in Singapore, Westlite Papan, is a 7,900-bed workers accommodation with an integrated ASPRI training centre. It caters to workers from the process industry and is expected to be operational in mid-2016.

The fifth and latest project in Singapore is ASPRI-Westlite Dormitory located in Jalan Papan

Our assets are generally well located and on a portfolio basis, expected to continue to achieve high occupancy rates in 2015. In particular, Westlite Toh Guan and Westlite Mandai are expected to enjoy close to full occupancy as they both cater to multiple industries. The Group is actively managing Westlite Tuas to ensure that its occupancy rate remains high despite weakness in demand expected in the construction industry and competition from a new workers accommodation in the vicinity that is expected to become operational in 1Q 2015.

Roof gardens in Westlite Toh Guan after undergoing asset enhancement works

The Group believes that demand for purpose-built workers accommodation will continue to remain healthy, as this is the preferred accommodation for foreign workers advocated by the Singapore Government. Such purpose-built workers accommodation with the needed amenities and better living conditions will continue to perform. Notwithstanding the additional approximate 100,000 beds that will progressively be completed over the next two years, the net increase in supply is significantly lesser as these new beds are expected to replace purpose-built dormitories with short-term leases due to expire over the next two to three years. The Group is hence cautiously optimistic that its rental and occupancy rates will continue to remain stable, supported by the good quality, favourable locations and proven management capabilities of our assets.

On 20 January 2015, the Parliament of Singapore passed the Foreign Employee Dormitories Bill 2014, which provided additional regulations and licensing requirement for the operators of larger dormitories with 1,000 and more beds. The new regulations act as barriers of entry for new and inexperienced dormitory operators, which bode well for the Group.

The Group will keep abreast of industry developments as well as government policy changes, so as to make the necessary adjustments to its portfolio mix and rental rates to adapt to changing industry demands.

Workers Accommodation - Malaysia

In Malaysia, the Group continues to strengthen its presence and gain traction with its portfolio of 14,500 beds across five workers accommodation in Johor. Occupancy rates on a portfolio basis currently are above 90%. The Group expects occupancy and rental

MARKET **OUTLOOK**

rates to enjoy steady growth as more companies recognise the Group's value-added proposition and proven management capabilities in providing quality accommodation for their workers.

Residents unwinding in their dormitories at Westlite Johor Tech Park

Westlite Tampoi and Westlite Senai II with a total of 10,800 beds are currently under construction and expected to be completed in 1Q 2015 and 4Q 2015 respectively. Westlite Minyak is currently under planning and will add a capacity of 5,000 beds when completed in 2016. Another project under planning, Westlite Juru, with a total capacity of 12,000 beds will be completed in two phases: Phase one with 6,000 beds is expected to be completed in 2017 and phase two with 6,000 beds is expected to be completed within two years thereafter. The Group is optimistic that the occupancy and rental rates of its Malaysian assets will continue to achieve steady growth.

Student Accommodation - Australia

In Australia, RMIT Village is expected to operate at close to full occupancy in the 2015 academic year, after strengthening its competitive position with the completed refurbishment of all rooms in January 2015. Ongoing studies are being carried out to evaluate other asset enhancement initiatives for the asset.

Students having an enjoyable time at RMIT Village

Australia remains a steady key education market, and Melbourne boasts several of the top universities in Australia and the world. We are confident that RMIT Village will remain an asset which provides positive economic benefits to the Group.

Student Accommodation – United Kingdom

Student accommodation is a segment that the Group views as one with good growth potential, in light of the strong demand for and stable rental rates of this asset class.

Landscaped grounds of Cathedral Campus located in Liverpool

The Group's newly acquired portfolio of four student accommodation assets in the United Kingdom is expected to operate at close to full occupancy in the 2014/2015 academic year. Given the healthy demand of purpose-built student accommodation in both Manchester and Liverpool, these assets are expected to perform well and contribute positively to the Group's earnings.

Optical Disc Business

The operating environment for the Group's Optical Disc business remains challenging as market demand for physical optical storage media continues to be weak. The Group will focus on controlling costs and carrying out necessary restructuring to ensure that the business continues to contribute positive cash flow to the Group.

CORPORATE SUSTAINABILITY AND **RESPONSIBILITY**

As a responsible corporate citizen, Centurion is highly aware of its role in society and the importance of maintaining business practices which impact positively on its stakeholders. Our aim is to achieve a balance between our needs and those of our stakeholders, to ensure we remain a sustainable operation for the long-term.

ENVIRONMENTAL SUSTAINABILITY

The Group remains committed to the sustainable development of its business. We strive to conduct our business in a way which values safety and security of our residents as paramount considerations while minimising any negative impact to the environment, the well-being of stakeholders and the wider communities in which we operate.

Residents interacting with Mr Lim Swee Say, Minister in the Prime Minister's Office, at Westlite Toh Guan

For our Accommodation Business, we have in place policies and procedures to improve and ensure that sustainability and efficiency is practised across our workers and student accommodation properties worldwide. This includes incorporating environment-friendly features in the design of the accommodation where possible, such as using sustainable building materials, enhancing the use of natural light and ventilation and integrating plants and greenery throughout various outdoor and indoor areas in our properties.

We are proud that all the Group's Optical Disc Business' manufacturing plants are certified under the strict ISO14001: Environmental Management Standards, which require operations to meet a specified set of rules. Data is gathered from our manufacturing facilities to keep track of their environmental performance by measuring and recording consumption of resources and disposal of waste, among other indicators, and ensuring these are kept within guidelines.

SOCIAL RESPONSIBILITY

In 2014, we continue to develop our social responsibility as an accommodation service provider, providing recreational activities for residents at our properties and ensuring that they are comfortable and well looked after. We recognise that our residents are fundamental to the Group's long term success and it is our responsibility to ensure that their stay with us not only provides them with a better quality of life but also enhances their wellbeing in other aspects such as continuing education, health and fitness.

A happy resident receiving his certificate after completing an English course

This year the Group organised a myriad activities and outings for residents. In Singapore, this has included subsidised excursions to the River Safari, Gardens by the Bay, as well as the Istana. We have also organised various competitions including soccer, badminton, volleyball, bodybuilding contests, yoga sessions, Christmas parties and the annual Westlite variety show and karaoke session for our residents in our different workers accommodation to mingle with each other, relax and unwind. We have received continual positive feedback on these organised group bonding activities which allow fellow residents to spend time together and learn more about the environment and culture in which they call home.

Residents on an excursion to Gardens by the Bay

CORPORATE SUSTAINABILITY AND **RESPONSIBILITY**

Supermarket amenities available to our residents

We pride ourselves on providing our residents with quality accommodation which are clean, safe and conducive to satisfy their daily living needs. Our workers accommodation include a wide range of facilities and comprehensive amenities including basketball and volleyball courts, supermarkets, food canteens, gymnasiums, outdoor exercise areas, internet and reading rooms, medical clinics and grooming salons. The comfort of our residents is important to us and to ensure their experience at our accommodation properties is a smooth and pleasant one, we offer many services to enhance and improve their stay. Together with volunteers and Non-Governmental Organisations ("NGOs") we organise regular health screenings, educational talks and seminars for our residents to help them better manage life in a foreign country.

Students enjoying the wide range of recreational facilities available

Similarly, we advocate an enriching experience for our residents at our student accommodation and aim to enhance their stay with amenities and organised activities. The wide range of facilities include swimming pools, BBQ facilities, study and lounge areas, gym and cafes, which allows students to unwind and relax. Apart from ensuring quality facilities, our student accommodation provides programmes and activities to promote an exciting and supportive community with residential life programmes, such as sporting competitions, movie nights, themed parties, pancake breakfasts, cooking classes as well as study groups and workshops.

Our Group's philosophy is centred around being able to run a sustainable operation while at the same time contributing our time and resources to the wider society and community. In addition to events which we organise, we passionately involve ourselves in a variety of community initiatives and programmes to help the less privileged such as undertaking donations to worthy organisations and initiatives such as the Kembangan-Chai Chee Citizens' Consultative Committee and its Community Development and Welfare Fund as well as to the North West Community Development Council.

Another meaningful sponsorship we made for the second consecutive year was to Nanyang Technological University's Business & Community Partners Programme. This programme offers financial support to students from underprivileged backgrounds who otherwise would not have the opportunity to enter quality tertiary education. These sponsorship funds enable them to pursue their dreams and achieve success in their studies and careers.

AWARDS

The Group's notable performance has been recently recognised with Centurion receiving the award based on Profit Growth Excellence By Industry in the 28th Annual Singapore 1000 Family of Ranking 2015. This accolade was given by DP Info, the National ranking body for the top Singapore 1000 companies. Centurion is pleased to be included among the top 1% of organisations in Singapore ranked according to various financial measures such as sales turnover, net profitability and return on equity.

INVESTOR **RELATIONS**

ENGAGING OUR INVESTOR COMMUNITY

As a listed company, we are mindful that we need to meet the diverse expectations of our varied stakeholders, ranging from regulatory agencies to minority shareholders. Our aim is to provide timely and accurate information about our Group's operations and developments. We seek to communicate news to our investors which have an impact on their investment decisions relating to the company. In this regard, all our corporate announcements, press releases and presentation slides are released on the Singapore Exchange's SGXNET and on the Group's dedicated investor relations ("IR") section within our corporate website. Investors can sign up for an e-mail alert service which informs them whenever an announcement is posted on the website.

At the same time, we recognise the importance of face-to-face communications. Besides holding media and analyst briefings for its half-year and full-year financial results, the key management are also in regular contact with the analysts and fund managers to keep them updated on the Group's developments. To better engage with existing and potential investors, the Group is an active participant of various investment conferences held in Singapore and Asia. We also strive to provide timely responses to investors' queries and hold frequent one-on-one sessions with investors.

Equity research performed by analysts is an important source of information for institutional and retail investors' investment decisions. We have continued to engage such equity research houses to allow them to gain a better understanding of our Group's business. Over the past few years, we have been actively connecting with analysts to help them better understand our business and prospects, which successfully led to four research houses initiating official coverage of the Group in FY2014. There are currently five research houses which regularly produce reports on Centurion.

Research House	Coverage Commencement
DBS Vickers	October 2013
KGI Fraser	January 2014
RHB Group	February 2014
UOB Kay Hian	April 2014
CIMB Securities	September 2014

2014 / 2015 INVESTOR RELATIONS CALENDAR

Month	Month
February 2014	4Q/FY2013 Results Announcement I Analysts & Media Briefing
March 2014	OSK-DMG Roadshow I DBS Vickers Roadshow
April 2014	FY2013 Annual General Meeting I OSK-DMG Roadshow (Malaysia) I Westlite Mandai official opening
May 2014	Inclusion in RHB OSK-DMG Research's "Top Singapore Small Cap Companies – 25 Jewels" (2014 Edition) I 1Q2014 Results Announcement
June 2014	RHB OSK-DMG Asean Corporate Day (Malaysia)
July 2014	DBS Vickers Pulse of Asia Conference (Singapore) I JP Morgan Roadshow
August 2014	SGX I OSK DMG Singapore Corporate Day (Japan) I 2Q2014 Results Announcement I Analysts & Media Briefing
October 2014	Extraordinary General Meeting I DBS Vickers Corporate Day (Malaysia)
November 2014	3Q2014 Results Announcement
January 2015	DBS Vickers Corporate Day (Singapore) I OSK-DMG Corporate Day (Singapore) I Maybank Kim Eng Corporate Day (Malaysia)
February 2015	4Q/FY2014 Results Announcement I Analysts & Media Briefing
March 2015	Maybank Kim Eng Corporate Day (Singapore)
April 2015	FY2014 Annual General Meeting

INVESTOR **RELATIONS**

FOCUS ON CORPORATE TRANSPARENCY

Keeping investors informed of our business progress and activities

Our Group is pleased to have received recognition of our investor relations efforts and commitment to our stakeholders for the second year in a row. In 2014, we received an award in the Most Transparent Company category at the Securities Investors Association Singapore ("SIAS") 15th Investors' Choice Awards 2015. This is a testament of our efforts and we will continue to maintain a high standard of transparent and fair investor communications, through various channels including through our announcements and annual report.

Proudly receiving a SIAS Investor's Choice Award in 2014 for the second year in a row

In line with our commitment to uphold high standards in accountability and disclosure, we supported SIAS' efforts to promote their Good Corporate Governance Policies initiative. Through this initiative, SIAS aims to highlight the message that good corporate governance practices are central to the health and stability of financial markets and the economy as a whole.

We believe we have made considerable progress in FY2014 and would like to thank our shareholders for their ongoing support over the years. With continued communication and interaction with the investment community, we strive to create even greater value for our shareholder.

Management participating in various road shows

Investor Relations Contact Details

David Oh Ser Wee
Investor Relations Manager
Tel: (65) 6745 3288
Email: enquiry@centurioncorp.com.sg

GROUP **STRUCTURE**

Covering Core Subsidiaries and Associates
(as at 31 December 2014)

Centurion

SINGAPORE

- **100%** SM Summit Holdings Pte Ltd
  - **100%** Clean2Go Laundry Pte Ltd
- **100%** Summit CD Manufacture Pte Ltd
- **100%** Centurion Dormitories Pte Ltd
  - **100%** Westlite Dormitory Management Pte Ltd
  - **100%** Westlite Dormitory (Toh Guan) Pte Ltd
  - **100%** Westlite Dormitory Investments Pte Ltd
    - **100%** Westlite Dormitory (Tuas) Pte Ltd
  - **45%** Lian Beng Centurion (Mandai) Pte Ltd
    - **100%** Lian Beng-Centurion (Dormitory) Pte Ltd
- **100%** Centurion Dormitories Holdings Pte. Ltd.
  - **100%** Westlite Dormitory (V One) Pte Ltd
- **100%** Centurion Dormitory Venture Pte Ltd
  - **51%** Centurion - Lian Beng (Papan) Pte Ltd

MALAYSIA

- **100%** Centurion Dormitories Sdn Bhd
  - **100%** Westlite Dormitory Management Sdn Bhd
  - **100%** WLC Management Services Sdn Bhd
  - **100%** Westlite Dormitory (Tebrau) Sdn Bhd
  - **100%** Westlite Dormitory (Cemerlang) Sdn Bhd
  - **100%** Westlite Dormitory (JB Techpark) Sdn Bhd
  - **100%** Westlite Dormitory (Tampoi) Sdn Bhd
  - **100%** Westlite Dormitory (Pasir Gudang) Sdn Bhd
  - **100%** Westlite Dormitory (PG II) Sdn Bhd
  - **100%** Westlite Dormitory (Senai) Sdn Bhd
  - **100%** Westlite Dormitory (SN II) Sdn Bhd

INDONESIA

- **100%** Gate Cosmos Investments Ltd (BVI)
  - **100%** PT Digital Media Technology (ultimate holding)

AUSTRALIA

- **100%** Centurion Overseas Investments Pte Ltd
  - **100%** Centurion Student Services Pty Ltd
  - **100%** Centurion Oversea Ventures Ltd (Labuan)
    - **100%** Centurion Melbourne Student Village Trust
    - **100%** Centurion Melbourne Apartment Trust
  - **100%** Centurion Australia Investments Pty Ltd (Trustee)

UNITED KINGDOM

- **100%** Centurion Student Services (UK) Ltd
  - **100%** Centurion Investments (JS) Ltd
  - **100%** Centurion Investments (JS I) Ltd
  - **100%** Centurion Investments (JS II) Ltd

OPTICAL DISC BUSINESS | ACCOMMODATION BUSINESS

CORE SUBSIDIARIES AND **ASSOCIATES**

(as at 31 December 2014)

SINGAPORE

CENTURION DORMITORIES PTE LTD
WESTLITE DORMITORY MANAGEMENT PTE LTD
45 Ubi Road 1, #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6743 5818
Email : enquiry@centurioncorp.com.sg
Website : www.centurioncorp.com.sg

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

WESTLITE DORMITORY INVESTMENTS PTE LTD
WESTLITE DORMITORY (TUAS) PTE LTD
90 Tuas South Avenue 9,
Tuas Lodge 1
Singapore 637397
Tel : (65) 6899 9988
Fax : (65) 6898 9988
Email : enquiry@westlite.com.sg
Website : www.westlite.com.sg

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

SM SUMMIT HOLDINGS PTE LTD
SUMMIT CD MANUFACTURE PTE LTD
45 Ubi Road 1, #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6748 9612
Email : enquiry@smsummit.com.sg
Website : www.centurioncorp.com.sg
www.smsummit.com.sg

INDONESIA

PT DIGITAL MEDIA TECHNOLOGY
MM2100 Industrial Town
Jl. Bali H1-1, Cibitung
Bekasi 17520, Indonesia
Tel : (6221) 8998 3333
Fax : (6221) 8998 3939
Email : marketing@dmtech.co.id
Website : www.dmtech.co.id

MALAYSIA

CENTURION DORMITORIES SDN BHD
WESTLITE DORMITORY MANAGEMENT SDN BHD
WLC MANAGEMENT SERVICES SDN BHD
PLO 250, Jalan Firma 2
Kawasan Perindustrian Tebrau IV
81100 Johor Bahru, Johor, Malaysia
Tel : (607) 351 5201/5205
Fax : (607) 351 5202
Email : enquiry@westlite.com.my
Website : www.westlite.com.my

AUSTRALIA

CENTURION STUDENT SERVICES PTY LTD
CENTURION MELBOURNE STUDENT VILLAGE TRUST
CENTURION MELBOURNE APARTMENT TRUST
5-17 Flemington Road
North Melbourne VIC 3051
Tel : (613) 8330 2000
Fax : (613) 8330 2001
Email : info@rmitvillage.com.au
Website : www.rmitvillage.com.au

UNITED KINGDOM

CENTURION STUDENT SERVICES (UK) LTD
CENTURION INVESTMENTS (JS) LTD
CENTURION INVESTMENTS (JS I) LTD
CENTURION INVESTMENTS (JS II) LTD
Lower Chatham Street, Manchester M1 5SX
Tel : +44 (0) 161 200 5560 Fax : +44 (0) 161 236 6045
Email : salesenquiries@centurionstudents.co.uk
Website : www.centurionstudents.co.uk

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Executive:

Kong Chee Min (Group CEO)
Lee Kerk Chong
Tony Bin Hee Din

Non-Executive:

Wong Kok Hoe (Non-Executive Chairman)

Independent Non-Executive:

Chandra Mohan s/o Rethnam
Gn Hiang Meng (Lead Independent Director)

AUDIT COMMITTEE

Gn Hiang Meng (Chairman)
Chandra Mohan s/o Rethnam
Wong Kok Hoe

NOMINATING COMMITTEE

Gn Hiang Meng (Chairman)
Chandra Mohan s/o Rethnam
Lee Kerk Chong

REMUNERATION COMMITTEE

Chandra Mohan s/o Rethnam (Chairman)
Gn Hiang Meng
Wong Kok Hoe

COMPANY SECRETARY

Hazel Chia Luang Chew

REGISTERED OFFICE

45 Ubi Road 1 #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6743 5818
Email : enquiry@centurioncorp.com.sg

SHARE REGISTRAR AND WARRANT AGENT

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758
Tel : (65) 6593 4848
Fax : (65) 6593 4847

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424

AUDIT PARTNER-IN-CHARGE

Yeow Chee Keong
(Date of appointment:
For financial year beginning 01 January 2013)

CORPORATE GOVERNANCE **REPORT**

Centurion Corporation Limited (the "Company") is committed to good standards of corporate governance and business conduct in order to enhance the interest of shareholders and has adopted the principles and practices of corporate governance in line with the recommendations of the Code of Corporate Governance 2012 (the "2012 Code"). The Company strives to subscribe to the principles and guidelines as set out in the 2012 Code where applicable, feasible and practical to the Group unless otherwise specified.

BOARD MATTERS

The Board's Conduct of Affairs

The Board oversees the businesses and affairs of the Group and the Company and Management. The Board provides entrepreneurial leadership, sets strategic direction for the Company and reviews the operational and financial performance of the Group to enable the Group to meet its objectives. A formal document setting out specific matters which are reserved for the Board's approval has been adopted by the Board. These include approval of the Group's strategic business plans, annual budgets, major investments and financing decisions and appointment of Directors and key management personnel. The Board also considers sustainability issues including environmental and social factors and has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems, internal control to safeguard shareholders' interest and the Group's assets. Management has also been given clear directions on matters that require Board's approval.

The Board objectively takes decisions in the interest of the Group and has delegated specific responsibilities to 3 Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee. The Board accepts that while these Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board conducts regular scheduled meetings at least 4 times a year and meets as and when warranted by particular circumstances between these scheduled meetings. The Company's Articles of Association provide for meetings to be held via telephone conference, video conferencing or other similar means of communications.

Details of Directors' attendance at Board and Board Committee meetings held in the financial year ended 31 December 2014 ("FY2014") are summarized in the table below:

	Board of Directors		Audit Committee		Nominating Committee		Remuneration Committee	
Name	**No. Of Meetings Held**	**No. Of Meetings Attended**	**No. Of Meetings Held**	**No. Of Meetings Attended**	**No. Of Meetings Held**	**No. Of Meetings Attended**	**No. Of Meetings Held**	**No. Of Meetings Attended**
Wong Kok Hoe	5	5	4	4	–	–	1	1
Tony Bin Hee Din	5	5	–	–	–	–	–	–
Lee Kerk Chong	5	5	–	–	1	1	–	–
Kong Chee Min	5	5	–	–	–	–	–	–
Chandra Mohan s/o Rethnam	5	5	4	4	1	1	1	1
Gn Hiang Meng	5	5	4	4	1	1	1	1

The Directors are provided with sufficient information including information on financial performance of the Group on a quarterly and on-going basis and have separate and independent access to Management of the Group. The Chief Executive Officer ("CEO") also updates the Board on a quarterly basis highlighting the performance, business conditions and outlook of the Group.

The Directors have separate and independent access to the Company Secretary. The Company Secretary attends Board and Board Committee meetings, where appropriate, and provides advice, secretarial support and assistance to the Board and ensures adherence to the Board procedures and relevant rules and regulations applicable to the Company. Under the Articles of Association of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

The Directors may seek independent professional advice to fulfil their duties and such cost will be borne by the Company.

No new Directors have been appointed to the Board in FY2014. However, the Company has in place orientation programmes for newly appointed Directors to ensure that they are familiar with the Group structure, and the Company's business and operations. Newly appointed Director, if any, will participate in an orientation programme which includes meeting with the Chairman and/or CEO and Chief Financial Officer ("CFO") to obtain an understanding of the affairs of the Group's business. Each newly appointed Director will be provided a letter of appointment setting out his duties and obligations.

To keep pace with new laws, regulations, changing commercial risks, Directors are encouraged to attend, at the Group's expenses, relevant training and seminars for their continuing education and skills improvement courses conducted by external organisations. These are informed to the Directors by Management. The Directors are provided regularly with updates on changes in the relevant laws and regulations, where appropriate, to enable them to make well-informed decisions and to discharge their duties responsibly.

Board Composition

As at the date of this report, the Board comprises 6 members, as follows:

Wong Kok Hoe (Chairman)	–	Non-Executive Director
Kong Chee Min	–	Executive Director
Lee Kerk Chong	–	Executive Director
Tony Bin Hee Din	–	Executive Director
Gn Hiang Meng	–	Non-Executive Independent Director
Chandra Mohan s/o Rethnam	–	Non-Executive Independent Director

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

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

Chairman and Chief Executive Officer

Currently, the roles of the Chairman and CEO are separated. Each of them performs separate functions to ensure that there is an appropriate balance of power and authority, and that accountability and independent decision making are not compromised.

CORPORATE GOVERNANCE **REPORT**

The Chairman, Wong Kok Hoe who is a Non-Executive Director, amongst his other duties, schedules and chairs Board meetings and, in consultation with the Company Secretary and Executive Directors, schedules Board meetings at appropriate intervals during the year. The Chairman is responsible for the exercise of control of the quality, quantity and timeliness flow of information between Management and the Board and the workings of the Board. The Chairman also promotes a culture of openness and debate at the Board, encourages constructive relations within the Board and between the Board and Management and ensures the integrity and effectiveness of the governance process of the Board.

The CEO and Executive Directors, assisted by the various functional directors and senior management, manage and are responsible for the Group's day-to-day operations and business.

Gn Hiang Meng was appointed Lead Independent Director ("LID") on 1 March 2014, as recommended by the 2012 Code. The LID is available to shareholders should they have concerns for which contact through the Chairman, CEO or CFO is inappropriate.

None of the Directors have served the Company for a period exceeding nine years. As and when Directors serve beyond nine years, the Nominating Committee will perform a particularly rigorous review to assess the independence of the relevant Directors.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to the following Board Committees:

NOMINATING COMMITTEE

The Nominating Committee ("NC"), regulated by a set of written terms of reference, comprises 3 members, a majority of whom are Non-Executive Independent Directors, as follows:

Gn Hiang Meng (Chairman)	–	Non-Executive Independent Director
Chandra Mohan s/o Rethnam	–	Non-Executive Independent Director
Lee Kerk Chong	–	Executive Director

The NC is chaired by Gn Hiang Meng, a Non-Executive Independent Director who is not associated with any substantial shareholder. Mr Gn is also the LID.

The NC reviews and ensures that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group's operational and business requirements.

The NC is responsible for making recommendations to the Board on all appointments and re-appointment of Directors. The NC meets at least once annually and as and when deemed necessary.

The key duties and responsibilities of the NC are summarised below:

- assesses the effectiveness of the Board as a whole;
- reviews and nominates newly appointed Directors and Directors retiring by rotation, having regard to their contributions and performance, for re-election at each Annual General Meeting ("AGM");

- reviews and recommends all new appointments to the Board;
- reviews and recommends all appointments of senior management staff (who are not for appointment to the Board);
- determines on an annual basis the independence of each Director;
- decides whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, particularly when the Director has multiple Board representations;
- identifies gaps in the mix of skills, experience and other qualities required in an effective Board so as to better nominate or recommend suitable candidates to fill the gaps; and
- reviews training and professional development programmes for the Board.

The NC has in place a process for selection and appointment of new Directors. Where a vacancy arises, the NC will identify potential candidates for appointments based on and after taking into consideration the candidates' qualification, knowledge, skills and experience, as well as his/her ability to increase the effectiveness of the Board and to add value to the Group's business. The NC will then recommend their appointments to the Board for consideration.

The NC had reviewed the independence of each Director in accordance with the 2012 Code's definition of independence and is satisfied that at least one-third of the Board comprises Non-Executive Independent Directors.

In accordance with the Company's Articles of Association, each Director retires at least once in every three years by rotation and all newly appointed Directors retire at the next AGM following their appointments. The retiring Directors are eligible to offer themselves for re-election.

Under the Company's Articles of Association, Chandra Mohan s/o Rethnam and Lee Kerk Chong will be due for re-election at the forthcoming Annual General Meeting. Lee Kerk Chong has indicated his intention not to seek re-election at the Annual General Meeting.

The NC has recommended the re-appointment of Chandra Mohan s/o Rethnam as a Director who will be retiring by rotation at the forthcoming AGM, following a review of his performance and contributions.

The Board has accepted the NC's recommendation and accordingly, Chandra Mohan s/o Rethnam will be offering himself for re-election. The relevant information on each of the above-named Director is presented in the section entitled "Board of Directors" on pages 6 to 8 of the Annual Report.

The NC has adopted a formal process of evaluating the performance of the Board as a whole. This process involves the completion of a questionnaire by Board members. A summary of findings is prepared based on the completed questionnaires and is reviewed and deliberated by the NC. The Chairman of the NC confers with the Chairman of the Board on the findings and appropriate follow-up actions are taken as necessary. A Board performance evaluation was carried out to assess and evaluate amongst other things, the Board's composition, size and expertise, timeliness of Board information, accountability and processes. No external facilitator had been engaged by the Board for this purpose.

Similar performance evaluations had also been conducted for the respective Board Committees, namely, Audit Committee, NC and Remuneration Committee.

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committee meetings, and their time commitment to the affairs of the Company, the NC is of the view that there is no need to set a maximum limit on the number of listed company board representations and other principal commitments of each Director. However, the NC will continue to review from time to time, their board representations and other principal commitments to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

REMUNERATION COMMITTEE

The Remuneration Committee ("RC"), regulated by a set of written terms of reference, comprises 3 members, a majority of whom are Non-Executive Independent Directors, as follows:

Chandra Mohan s/o Rethnam (Chairman)	–	Non-Executive Independent Director
Gn Hiang Meng	–	Non-Executive Independent Director
Wong Kok Hoe	–	Non-Executive Director

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

The RC meets at least once annually, and as and when deemed necessary, to carry out its functions. The key duties and responsibilities of the RC are summarised below:

- reviews and recommends to the Board a framework of remuneration as well as determines the remuneration package and terms of employment for each Director, the CEO, key management personnel and employees who are immediate family members of a Director or controlling shareholder of the Group; and

- reviews the remuneration policies and packages for key management personnel on an annual basis. The review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits-in-kind.

The RC has access to the Company's internal human resource department to assist in their review. The RC from time to time seek advice from external remuneration consultants, who are unrelated to the Directors and any organisation they are associated with, as well as confidentially from selected senior management, including the Head of Human Resources, at its discretion.

The RC's recommendations are submitted for endorsement by the entire Board. Annual reviews of the compensation of Directors are also carried out by the RC to ensure that the remuneration of the Directors and key management personnel commensurate with their performance and value-add to the Group, giving due regard to the financial and commercial health and business needs of the Group.

The remuneration for the Executive Directors, the CEO and key management personnel comprises a fixed basic salary plus other variable component in the form of annual performance bonus tied to individual performance as well as the Company's performance.

Directors' fees payable to all the Directors are set in accordance within a remuneration framework comprising a basic fee and incremental fixed fee for the level of responsibilities such as chairing Board Committee and attendance at Board and Board Committee meetings.

The RC has recommended to the Board an amount of S$257,000 as Directors' fees for FY2014. The Board will table this recommendation at the forthcoming AGM for shareholders' approval.

The existing service contracts for Executive Directors are for a period of 3 years and thereafter will be automatically renewed annually. The service agreement provides for termination by each party, upon giving not less than 3 months' notice in writing. New service contracts or renewals, if any, will be subject to RC's review to ensure that the terms are fair and for a reasonable period. The RC had considered the recommendations of the 2012 Code and will include in the new contracts with Directors and key management appropriate "claw back" clauses to safeguard the Group's interests in the event of exceptional circumstances of misstatement of financial statements, misconduct resulting in financial loss or fraud by Executive Directors and key management personnel.

The Company does not have any long-term incentive schemes in place.

DISCLOSURE ON REMUNERATION

Given the confidentiality and commercial sensitivity attached to remuneration matters, the Board is of the view that detailed disclosure of remuneration of the Directors and top seven key management personnel as recommended by the 2012 Code would not be in the interest of the Company. The remuneration of Directors and top seven key management personnel are, however, disclosed in the bands of S$250,000.

Directors' Remuneration

The aggregate remuneration paid to the Directors was S$1,890,000.

Breakdown (in percentage terms) of the remuneration paid for FY2014 is set out below:

Name	Director's fees (%)	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$750,000 to below S$1,000,000					
Kong Chee Min	1	39	58	2	100
S$500,000 to below S$750,000					
Tony Bin Hee Din	2	30	66	2	100
S$250,000 to below S$500,000					
Lee Kerk Chong	5	85	6	4	100
Below S$250,000					
Chandra Mohan s/o Rethnam	100	0	0	0	100
Gn Hiang Meng	100	0	0	0	100
Wong Kok Hoe	100	0	0	0	100

CORPORATE GOVERNANCE **REPORT**

Employees' Remuneration

The aggregate remuneration paid to the top seven key executives (who are not Directors or the CEO) was S$2,367,000.

Breakdown (in percentage terms) of the annual remuneration paid to each of the top seven key executives (who are not Directors of the Company) is set out below:

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$750,000 to below S$1,000,000				
Teo Peng Kwang Kelvin	29	67	4	100
S$250,000 to below S$500,000				
Ho Lip Chin	61	36	3	100
Leong Siew Fatt	68	27	5	100
Below S$250,000				
Foo Ai Huey	68	29	3	100
Haryadi Handoko	56	18	26	100
Lee Geok Ing Janice(Note 1)	72	25	3	100
Yeo Boon Hing David	90	4	6	100

Note 1

Lee Geok Ing Janice is the sister of Lee Kerk Chong, an Executive Director of the Company. She is the Group's Human Resource and Admin Manager and her profile is set out in page 9.

In addition, Lee Teck Keng, the son of Lee Kerk Chong, an Executive Director of the Company, is employed by Westlite Dormitory Management Pte Ltd, a subsidiary of the Group, as Investment Manager and has received a remuneration exceeding S$50,000 but below S$250,000. The Company adopts a remuneration system that is responsive to the market elements and tied to individual performance and performance of the Company. Remuneration of immediate family members of Directors is subject to the RC's annual review. Due to competitive and confidential reasons, the Board has decided not to disclose their remuneration in incremental bands of $50,000 but in incremental bands of $250,000.

ACCOUNTABILITY

The Board is accountable to the shareholders, while Management is accountable to the Board.

Directors are provided with adequate and timely information on a regular basis and board papers and related materials or explanatory information prior to each Board and Board Committee meeting to allow Directors sufficient time to review and consider the agenda items and to facilitate productive discussions during the meetings. The Directors also have separate and independent access to the Company's senior management.

The Board provides shareholders with a balanced and understandable explanation and analysis of the Company's performance on a quarterly basis in the Group's quarterly and full-year financial results announcements.

AUDIT COMMITTEE

The Audit Committee ("AC") comprises 3 Non-Executive Directors, a majority of whom are Non-Executive Independent Directors, as follows:

Gn Hiang Meng (Chairman)	–	Non-Executive Independent Director
Chandra Mohan s/o Rethnam	–	Non-Executive Independent Director
Wong Kok Hoe	–	Non-Executive Director

None of the members nor the Chairman of the AC are former partners or Directors of the Group's auditing firm.

The Board is of the view that the AC members have adequate accounting or related financial management expertise and experience to discharge the AC's functions.

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

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

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

The AC also performs the following key functions:

- reviews the audit scope, approach and results of the external auditors;
- evaluates the overall effectiveness of both the internal and external audits through regular meetings with the internal and external auditors;
- reviews the adequacy of the internal audit function;
- determines that no restrictions are being placed by Management upon the work of the internal and external auditors;
- evaluates the adequacy of the internal control systems of the Group by reviewing written reports from the internal and external auditors, and Management's responses and actions to address any deficiencies noted;
- evaluates the adherence to the Group's administrative, operating and internal accounting controls;
- reviews the quarterly and full-year financial statements of the Company and the Group before submission to the Board for approval;
- reviews interested person transactions in accordance with the requirements of the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and all potential conflicts of interests;

CORPORATE GOVERNANCE **REPORT**

- reviews transactions by the Company, principally acquisitions and realizations, in accordance with the requirements of the Listing Rules of SGX-ST;

- ensures proper measures to mitigate any conflicts of interests have been put in place;

- reviews and approves all hedging policies and types of hedging instruments to be implemented by the Group, if any;

- reviews all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors;

- reviews and recommends the appointment or re-appointment of the external auditors; and

- considers other matters as requested by the Board.

The AC has full access to Management and full discretion to invite any Executive Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions properly.

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

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

The Company has adopted a whistle-blowing programme where employees and external parties may, in confidence, report possible improprieties in matters of financial reporting or other matters. The objective is to ensure that arrangements are in place for the independent investigation of matters raised and to allow appropriate follow-up action to be taken. To facilitate participation by the external parties, the whistle-blowing programme is also available on the Company's website at www.centurioncorp.com.sg.

The AC assesses the independence of the external auditors, PricewaterhouseCoopers LLP, annually. The AC has reviewed the non-audit services provided by the external auditors and is of the opinion that the provision of such services as well as the fees paid for FY2014 does not affect their independence.

The aggregate amount of fees paid / payable to the external auditors for FY2014 as follows:

	S$'000
Audit fees	401
Non-audit fees	288
Total fees	689

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

The AC has recommended the re-appointment of PricewaterhouseCoopers LLP as the Company's external auditors at the forthcoming AGM.

INTERNAL AUDIT

The Company has out-sourced its internal audit function to BDO LLP. The internal auditor reports directly to the Chairman of the AC and present their reports and audit findings and recommendations to the AC.

The Internal auditor is provided with unfettered access to the Company properties, information and records and performs their reviews in accordance with the BDO Global IA methodology which is consistent with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. As the Group's outsourced internal auditors, BDO is required to provide staff of adequate expertise and experience to conduct the internal audits.

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

The AC is satisfied that the internal auditor has the necessary resources to adequately perform its functions.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risk are managed in the Group's businesses. The Board has ultimate responsibility to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and tolerance and have an oversight role in the design, implementation and monitoring of the risk management and internal controls system.

The Board has approved a Group Enterprise Risk Management Framework for the identification of key risk within the Group's businesses, which has adopted and aligned with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Controls Integrated Framework. Developed and enhanced in consultation with an external global risk consulting company, Protiviti Pte Ltd ("Protiviti") in FY2013, the Enterprise Risk Management framework sets out a systematic and ongoing process to identify and assess risk and defines how risk information (including risk mitigation action plans) is collected, monitored and reported to Management, AC and Board on a regular and timely basis.

The Board has delegated the AC to assist in its oversight of the risk management framework, policies and processes. The AC is overall responsible in providing assurance to the Board, as an independent party, on the effectiveness of Group's risk management and internal control system.

The AC principal functions and responsibilities on risk management, include the following:

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

CORPORATE GOVERNANCE **REPORT**

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

Based on the above and the overview review of risk which the Group is exposed to as well as the understanding of what countermeasures and internal controls are in place to manage them, the AC and the Board concluded that the Group's risk management framework was adequate and effectively managed.

The Board has obtained a written confirmation from the CEO and CFO:

a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

b) regarding the effectiveness of the Group's risk management system and internal control systems.

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

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

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

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology risks were adequate for FY2014.

SHAREHOLDERS' RIGHTS

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

At each AGM and/or General Meetings, shareholders are given the opportunity to participate effectively and raise their concerns with the Directors and Management on matters pertaining to the Group's business and its operations. Any Notice of a general meeting is dispatched to shareholders at least 14 days before the scheduled date for such meeting. Each item of the special business included in the Notice of the general meeting will be accompanied by an explanation of the effects of a proposed resolution.

COMMUNICATION WITH SHAREHOLDERS

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

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

- Annual Report and Notice of the AGM prepared and issued to all shareholders within the mandatory period;

- Financial statements/results for the respective quarter and full-year released through SGXNET in accordance with the requirements of the SGX-ST's Listing Rules;

- Notices of and explanatory memoranda for AGMs and extraordinary general meetings advertised in the newspapers and also made via SGXNet;

- Announcements relating to major developments of the Group made via SGXNET in accordance with the requirements of the SGX-ST's Listing Rules; and

- Group's website at www.centurioncorp.com.sg at which shareholders can access information regarding the Group. The website provides all corporate announcements, press releases, annual reports, circulars, presentation slides and profiles of the Group. An email link has been established on the website to receive feedbacks, request for information and facilitate communications with shareholders.

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

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

The Company currently does not have a formal policy on payment of dividends to shareholders. The Group, however, endeavours and has been declaring annual dividend consistently which takes into consideration of the Group's annual profitability, cashflow requirements for its business expansion and retained earnings, as well as any other factors deemed relevant by the Directors.

To show the Company's appreciation for its shareholders' long term support, the Board is recommending a final dividend payout of S$0.01 per share, to be approved by shareholders in the forthcoming AGM.

CORPORATE GOVERNANCE **REPORT**

CONDUCT OF SHAREHOLDER MEETINGS

The Company encourages shareholder participation at general meetings of shareholders.

Shareholders have the opportunities to communicate their views on matters relating to the Group and to participate effectively in the meeting and to vote thereat, either in person or by proxy. The Company's Articles of Association allow the appointment of one or two proxies by shareholders to attend the AGM and General Meetings and vote in his/her place. For the time being, the Board is of the view that this is adequate to enable shareholders to participate in general meetings of the Company.

Issues seeking approval of shareholders, if any, are usually tabled as separate resolutions.

All Directors, the Chairman of the Board and Chairpersons of the AC, RC and NC, or members of the respective Board Committees standing in for them, as well as the external auditors are present at each AGM and other General Meetings held by the Company, if any, to address any queries raised by the shareholders. A summary of the relevant queries from shareholders and responses provided at the AGM and/or General Meetings are made available on the Company's website.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested person and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are subject to review by the AC.

The aggregate values of interested person transactions entered into during FY2014 were less than $100,000.

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

DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted an internal code governing dealings in securities by Directors and officers of the Company and its subsidiaries. This code has been disseminated to all the Directors and officers of the Group as defined in the code.

Directors and officers have been informed not to deal in the Company's securities at all times whilst in possession of unpublished price sensitive information and during the periods commencing at least two weeks before the announcement of the Company's results for each of the first three quarters of its financial year and one month before the announcement of the Company's full-year results, and ending on the date of the announcement of the relevant results.

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

MATERIAL CONTRACTS

No material contracts were entered between the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder during or at the end of the financial year ended 31 December 2014.

USE OF PROCEEDS FROM THE EXERCISE OF BONUS WARRANTS

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of one warrant for every ten existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one ordinary share in the capital of the Company at an exercise price of S$0.50 for each ordinary share. Each warrant may be exercised at any time during the period of four years commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the fourth anniversary of the date of issue of the warrants, that is 27 October 2017. The Company issued 811,000 new ordinary shares pursuant to warrants exercised during the financial year. The net proceeds of S$405,699 received in relation to the issuance of new shares pursuant to warrants exercised, had not been utilized at the end of the financial year ended 31 December 2014.

FINANCIAL **REPORT**

DIRECTORS' **REPORT**

For the financial year ended 31 December 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the balance sheet of the Company as at 31 December 2014.

DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Wong Kok Hoe
Kong Chee Min
Lee Kerk Chong
Tony Bin Hee Din
Chandra Mohan s/o Rethnam
Gn Hiang Meng

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		**Holdings in which director is deemed to have an interest**	
	At 31.12.2014	At 1.1.2014	**At 31.12.2014**	At 1.1.2014
Company				
(No. of ordinary shares)				
Kong Chee Min	**171,187**	17,187	**–**	–
Lee Kerk Chong	**28,716,271**	30,376,271	**–**	–
Tony Bin Hee Din	**250,000**	50,000	**–**	–
Gn Hiang Meng	**–**	–	**225,000**	225,000

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have an employment relationship with the Company, and have received remuneration in that capacity.

DIRECTORS' REPORT

For the financial year ended 31 December 2014

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

WARRANTS

The number of unissued ordinary shares of the Company under warrants outstanding at the end of the financial year were as follows:

Date of issue	Number of warrants at date of issue	Number of warrants at 31 December 2014	Subscription price	Expiry date
28 October 2013	75,605,231	74,793,834	S$0.50	27 October 2017

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of one warrant for every ten existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one ordinary share in the capital of the Company at an exercise price of S$0.50 for each ordinary share. Each warrant may be exercised at any time during the period of four years commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the fourth anniversary of the date of issue of the warrants. The net proceeds of S$405,699 in relation to the issuance of new shares pursuant to warrants exercised, have not been utilised to date.

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Gn Hiang Meng (Chairman)
Chandra Mohan s/o Rethnam
Wong Kok Hoe

All members of the Audit Committee were non-executive directors. Except for Mr Wong Kok Hoe, all members were independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and

AUDIT COMMITTEE (CONTINUED)

- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Wong Kok Hoe
Director

Kong Chee Min
Director

30 March 2015

STATEMENT BY **DIRECTORS**

For the financial year ended 31 December 2014

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 53 to 140 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

Wong Kok Hoe
Director

Kong Chee Min
Director

30 March 2015

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Centurion Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 53 to 140, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2014, the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 30 March 2015

CONSOLIDATED **INCOME STATEMENT**

For the financial year ended 31 December 2014

	Note	**2014 $'000**	2013 $'000
Continuing operations			
Revenue	4	**84,443**	57,053
Cost of sales	5	**(28,802)**	(24,359)
Gross profit		**55,641**	32,694
Other income	6	**768**	1,449
Expenses			
– Distribution	5	**(1,175)**	(1,323)
– Administrative	5	**(14,359)**	(10,444)
– Finance	8	**(8,889)**	(2,516)
Share of profit of associated companies and joint ventures	18,19	**45,332**	37,173
		77,318	57,033
Other gains and losses	7	**96**	(3,442)
Net fair value gains on investment properties	21	**40,308**	43,122
Profit before income tax		**117,722**	96,713
Income tax expense	10(a)	**(6,503)**	(3,555)
Profit from continuing operations		**111,219**	93,158
Discontinued operations			
Loss from discontinued operations	11(a)	**(69)**	(1,000)
Total profit		**111,150**	92,158
Profit attributable to:			
Equity holders of the Company		**111,200**	92,158
Non-controlling interests		**(50)**	–
		111,150	92,158
Earnings per share for profit from continuing and discontinued operations attributable to equity holders of the Company			
Basic earnings per share	12(a)		
– From continuing operations		**14.71 cents**	12.32 cents
– From discontinued operations		**(0.01) cents**	(0.13) cents
Diluted earnings per share	12(b)		
– From continuing operations		**14.43 cents**	12.30 cents
– From discontinued operations		**(0.01) cents**	(0.13) cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2014

	Note	**2014 $'000**	2013 $'000
Total profit		**111,150**	92,158
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Fair value (losses)/gains	30(b)(i)	**(207)**	271
– Reclassification	30(b)(i)	**153**	–
Currency translation losses arising from consolidation	30(b)(ii)	**(5,517)**	(3,426)
Other comprehensive loss, net of tax		**(5,571)**	(3,155)
Total comprehensive income		**105,579**	89,003
Total comprehensive income attributable to:			
Equity holders of the Company		**105,629**	89,003
Non-controlling interests		**(50)**	–
		105,579	89,003

The accompanying notes form an integral part of these financial statements.

BALANCE **SHEETS**

As at 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**63,144**	44,374	**21,680**	19,480
Trade and other receivables	14	**4,993**	11,195	**7,944**	12,391
Inventories	15	**643**	994	**–**	–
Other assets	16	**13,666**	11,083	**264**	2,224
		82,446	67,646	**29,888**	34,095
Non-current assets					
Trade and other receivables	14	**604**	–	**271,245**	264,932
Other assets	16	**265**	265	**265**	265
Available-for-sale financial assets	17	**2,314**	2,521	**2,314**	2,521
Investments in associated companies	18	**1,371**	1,348	**1,298**	1,298
Investments in joint ventures	19	**84,417**	52,569	**–**	–
Investments in subsidiaries	20	**–**	–	**18,762**	10,046
Investment properties	21	**684,437**	368,712	**–**	–
Property, plant and equipment	22	**6,385**	6,019	**265**	119
Deferred income tax assets	28	**60**	91	**–**	–
Intangible assets	23	**11,734**	16,673	**–**	–
		791,587	448,198	**294,149**	279,181
Total assets		**874,033**	515,844	**324,037**	313,276
LIABILITIES					
Current liabilities					
Trade and other payables	24	**40,545**	25,850	**6,329**	3,343
Current income tax liabilities	10	**7,064**	6,908	**192**	133
Borrowings	25	**23,379**	17,357	**–**	–
		70,988	50,115	**6,521**	3,476
Non-current liabilities					
Borrowings	25	**408,081**	168,833	**99,125**	98,661
Other liabilities	27	**276**	871	**–**	–
Deferred income tax liabilities	28	**3,128**	3,104	**26**	25
		411,485	172,808	**99,151**	98,686
Total liabilities		**482,473**	222,923	**105,672**	102,162
NET ASSETS		**391,560**	292,921	**218,365**	211,114
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	29	**89,836**	89,431	**201,147**	200,742
Other reserves	30	**6,763**	12,334	**302**	509
Retained profits	31	**294,031**	191,156	**16,916**	9,863
		390,630	292,921	**218,365**	211,114
Non-controlling interests		**930**	–	**–**	–
Total equity		**391,560**	292,921	**218,365**	211,114

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2014

	Note	Share capital	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		← Attributable to equity holders of the Company			→		
		$'000	$'000	$'000	$'000	$'000	$'000
2014							
Beginning of financial year		**89,431**	**12,334**	**191,156**	**292,921**	**–**	**292,921**
Profit for the year		–	–	111,200	111,200	(50)	111,150
Other comprehensive loss for the year		–	(5,571)	–	(5,571)	–	(5,571)
Total comprehensive income for the year		**–**	**(5,571)**	**111,200**	**105,629**	**(50)**	**105,579**
Dividends relating to 2013 paid	32	–	–	(4,541)	(4,541)	–	(4,541)
Dividends relating to 2014 paid	32	–	–	(3,784)	(3,784)	–	(3,784)
Non-controlling interest share in subsidiary		–	–	–	–	980	980
Issuance of shares pursuant to warrants exercised	29	405	–	–	405	–	405
Total transactions with owners, recognised directly in equity		**405**	**–**	**(8,325)**	**(7,920)**	**980**	**(6,940)**
End of financial year		**89,836**	**6,763**	**294,031**	**390,630**	**930**	**391,560**
2013							
Beginning of financial year		**89,431**	**15,489**	**102,358**	**207,278**	**4,126**	**211,404**
Profit for the year		–	–	92,158	92,158	–	92,158
Other comprehensive loss for the year		–	(3,155)	–	(3,155)	–	(3,155)
Total comprehensive income for the year		**–**	**(3,155)**	**92,158**	**89,003**	**–**	**89,003**
Dividends relating to 2012 paid	32	–	–	(3,018)	(3,018)	–	(3,018)
Total distribution to owners		**–**	**–**	**(3,018)**	**(3,018)**	**–**	**(3,018)**
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest		–	–	(342)	(342)	(4,126)	(4,468)
Total changes in ownership interests in subsidiaries		**–**	**–**	**(342)**	**(342)**	**(4,126)**	**(4,468)**
Total transactions with owners, recognised directly in equity		**–**	**–**	**(3,360)**	**(3,360)**	**(4,126)**	**(7,486)**
End of financial year		**89,431**	**12,334**	**191,156**	**292,921**	**–**	**292,921**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 December 2014

	Note	**2014 $'000**	2013 $'000
Cash flows from operating activities			
Total profit		**111,150**	92,158
Adjustments for:			
– Income tax expense		**6,503**	3,537
– Depreciation and amortisation		**6,893**	7,973
– Allowance for impairment of trade and other receivables		**204**	251
– Net (gain)/loss on disposal of property, plant and equipment		**(723)**	14
– Impairment of property, plant and equipment		**–**	3,865
– Fair value gain on investment properties		**(40,308)**	(43,122)
– Interest income		**(465)**	(372)
– Dividend income		**(111)**	(188)
– Finance expenses		**8,889**	2,527
– Share of profit of associated companies and joint ventures		**(45,332)**	(37,173)
– Impairment of goodwill		**–**	64
– Impairment in investment in associated company		**–**	2
– Reclassification adjustment from fair value reserve to profit or loss		**153**	–
– Unrealised currency translation differences		**540**	(275)
Operating cash flow before working capital changes		**47,393**	29,261
Change in working capital, net of effects from acquisition of subsidiary			
– Inventories		**351**	598
– Trade and other receivables		**3,796**	2,617
– Other assets		**5,426**	(506)
– Trade and other payables		**3,028**	(261)
Cash generated from operations		**59,994**	31,709
Income tax paid		**(6,450)**	(3,903)
Net cash provided by operating activities		**53,544**	27,806
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**797**	77
Proceeds from redemption of available-for-sale financial assets		**–**	2,000
Additions to investment properties		**(269,348)**	(112,253)
Purchases of property, plant and equipment		**(2,377)**	(1,764)
Acquisition of interest in subsidiaries, net of cash acquired	20(b)	**370**	(3,677)
Loan to an associated company		**(668)**	–
Interest received		**465**	372
Dividends received		**111**	188
Dividends received from joint venture		**13,500**	–
Short term deposits released as security from bank		**816**	4
Short-term deposits released as escrow settled		**–**	3,744
Short-term bank deposits charged as security to bank		**(4,028)**	–
Deposits paid for acquisition of investment property		**(9,820)**	(9,137)
Deposits refunded for acquisition of investment property		**2,071**	–
Net cash used in investing activities		**(268,111)**	(120,446)
Cash flows from financing activities			
Acquisition of additional interest in a subsidiary		**–**	(4,468)
Proceeds from borrowings		**273,700**	123,688
Repayment of borrowings		**(32,152)**	(13,079)
Proceeds from exercise of warrants		**405**	–
Interest paid		**(8,425)**	(2,527)
Dividends paid to equity holders of the Company		**(8,325)**	(3,018)
Cash provided by non-controlling interests		**5,100**	–
Net cash provided by financing activities		**230,303**	100,596
Net increase in cash and cash equivalents held		**15,736**	7,956
Cash and cash equivalents			
Beginning of the financial year	13	**43,558**	36,460
Effects of currency translation on cash and cash equivalents		**(178)**	(858)
End of financial year	13	**59,116**	43,558

The accompanying notes form an integral part of these financial statements.

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

1. GENERAL INFORMATION

Centurion Corporation Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 45 Ubi Road 1, #05-01, Singapore 408696.

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

The principal activities of its subsidiaries, associated companies and joint ventures are set out in Notes 18,19 and 20.

The optical segment in Australia was discontinued during the financial year (Note 11).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

(a) *FRS 110 Consolidated Financial Statements*

FRS 110 was issued in May 2011 and replaces all the guidance on control and consolidation in *FRS 27 Consolidated and Separate Financial Statements* and *INT FRS 12 Consolidation – Special Purpose Entities*. Under *FRS 110*, subsidiaries are all entities (including structures entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The adoption of *FRS 110* did not result in substantial changes to the Group's financial statements. There is no required disclosure under *FRS 110*. Required disclosures for subsidiaries are specified under *FRS 112*.

NOTES TO THE **FINANCIAL STATEMENTS**
For the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2014 (continued)

(b) *FRS 111 Joint arrangements*

FRS 111 was issued in May 2011 and supersedes *FRS 31 Interests in Joint Ventures* and *INT FRS 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. Under *FRS 111*, interests in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Interests in joint operations are accounted for by the Group recognising its own assets, liabilities, income and expenses relating to the joint operation, and its share of the assets, liabilities, income and expenses of the joint operation. Interests in joint ventures are recognised as a single investment and accounted for using the equity method of accounting per *FRS 28 (revised 2011) Investments in Associates and Joint Ventures*.

The adoption of *FRS 111* did not result in substantial changes to the Group's financial statements. There is no required disclosure under *FRS 111*. Required disclosures for joint ventures are specified under *FRS 112*.

(c) *FRS 112 Disclosure of Interests in Other Entities*

The Group has adopted the above new FRS on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new *FRS 110 Consolidated Financial Statements* and *FRS 111 Joint Arrangements*, and replaces the disclosure requirements currently found in *FRS 27 (revised 2011) Separate Financial Statements* and *FRS 28 (revised 2011) Investments in Associates and Joint Ventures*.

The Group has applied *FRS 112* retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of *FRS 112* in September 2011) in *FRS 112* and amended for consolidation exceptions for 'investment entity' from 1 January 2014. The Group has incorporated the additional required disclosures into the financial statements.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue from these sales is recognised when the Group has delivered the products to the customers and the customers have accepted the products and collectibility of the related receivables is reasonably assured.

The Group does not operate any customer loyalty programme.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(b) *Rendering of services*

Revenue from rendering of services is recognised when the services are rendered.

(c) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(d) *Conservancy and service charges from investment properties*

Conservancy and service charges from investment properties are recognised in accordance with the terms of the relevant agreement unless, having regard to the substance of the agreement, it is more appropriate to recognise revenue based on some other systematic and rational basis.

(e) *Interest income*

Interest income is recognised using the effective interest method.

(f) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE **FINANCIAL STATEMENTS**
For the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy for goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated companies or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated company or joint ventures and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments.

When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Capital work-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and building	20 years
Plant, machinery and equipment	2 – 10 years
Renovation, furniture and fittings	4 – 10 years
Motor vehicles	4 – 5 years
Office equipment and computers	3 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.5 Investment properties

Investment properties include properties that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the costs of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the differences between the disposal proceeds and the carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) Favourable lease agreement

Favourable lease agreement acquired is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 62 months, which is the shorter of its estimated useful life and period of contractual rights.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures

Intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets (continued)

(b) *Intangible assets*
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures (continued)

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. However, the Group has financial assets only in the categories of loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet except for certain non-trade receivables from subsidiaries which have been accounted for in accordance with Note 2.8.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries, associated companies and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries, associated companies or joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial guarantees (continued)

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheets.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries', associated companies' and joint ventures' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheets.

Intra-group transactions are eliminated on consolidation.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Leases

(a) *When the Group is the lessee:*

The Group leases land, motor vehicles and certain property, plant and equipment under finance and operating leases from non-related parties.

(i) *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) *When the Group is the lessor:*

The Group subleases its leased office premises under operating leases to non-related parties. The Group also leases its investment properties under operating leases to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income taxes

Current income tax for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Employee compensation (continued)

(b) *Defined benefit plans*

The Group also has an unfunded defined benefit plan as part of a subsidiary's national severance, gratuity and corporation benefits plan. An independent actuary's valuation is obtained in determining the defined benefit obligation using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms of maturity approximating the terms of the related liability.

(c) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(d) *Termination benefits*

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date. The Group recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.20 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the date of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management whose members are responsible for allocating resources and assessing performance of the operating segments.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

NOTES TO THE **FINANCIAL STATEMENTS**
For the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

2.25 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

3.1 Critical accounting estimates and assumptions

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Valuation of investment properties

The Group, in reliance on independent professional valuers, applies estimates, judgements and assumptions in the determination of fair values for investment properties. The valuation forms the basis for the carrying amounts in the consolidated financial statements (Note 21).

4. REVENUE

	Group	
	2014	2013
	$'000	$'000
Sale of goods	**7,939**	9,765
Rendering of services	**691**	338
Rental income from investment properties (Note 21)	**49,941**	29,845
Service charges from investment properties (Note 21)	**23,415**	16,167
Others	**2,457**	938
Total revenue	**84,443**	57,053

5. EXPENSES BY NATURE

	Group	
	2014	2013
	$'000	$'000
Purchase of raw materials and consumables	**2,561**	2,167
Changes in inventories	**(19)**	444
Depreciation of property, plant and equipment (Note 22)	**1,928**	2,402
Amortisation of intangible asset (Note 23(c))	**4,939**	4,939
Total depreciation and amortisation	**6,867**	7,341
Allowance for impairment of trade and other receivables	**115**	42
Property tax	**1,383**	1,256
Employee compensation (Note 9)	**13,575**	9,359
Rental expense on operating leases	**3,098**	3,118
Utilities	**4,610**	3,949
Repairs and maintenance	**2,269**	1,714
Insurance	**407**	186
Freight outwards	**67**	200
Security and card system expenses	**604**	520
Laundry expense	**556**	618
Legal and professional fees	**1,944**	957
Management fees	**519**	–
Transportation expenses	**845**	455
Advertising and promotion expenses	**575**	251
Others	**4,360**	3,549
Total cost of sales, distribution and administrative expenses	**44,336**	36,126

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

6. OTHER INCOME

	Group	
	2014	2013
	$'000	$'000
Rental income	**305**	1,105
Interest income	**352**	156
Dividend income	**111**	188
	768	1,449

7. OTHER GAINS AND LOSSES

	Group	
	2014	2013
	$'000	$'000
Currency exchange loss – net	**(198)**	(414)
Net gain/(loss) on disposal of plant and equipment	**38**	(14)
Impairment of goodwill (Note 23(a))	**–**	(64)
Impairment of property, plant and equipment* (Note 22)	**–**	(3,074)
Available-for-sale financial assets		
– reclassification from other comprehensive income (Note 30(b)(i))	**(153)**	–
Others	**409**	124
	96	(3,442)

* In 2013, the impairment of property, plant and equipment includes an impairment charge of $58,000 on the spare parts recorded under other assets.

8. FINANCE EXPENSES

	Group	
	2014	2013
	$'000	$'000
Interest expense:		
– bank borrowings	**11,498**	3,521
– finance lease liabilities	**1**	3
Less: Borrowing costs capitalised in investment properties	**(2,610)**	(1,008)
Finance expenses recognised in profit or loss	**8,889**	2,516

Borrowing costs on general financing were capitalised at a rate of 1.86% (2013: 0.87%).

9. EMPLOYEE COMPENSATION

	Group	
	2014	2013
	$'000	$'000
Wages and salaries	**13,093**	11,258
Employer's contribution to defined contribution plans, including Central Provident Fund	**1,216**	1,215
Post-employment benefits (Note 27(b))	**(75)**	92
Less: Amounts attributable to discontinued operations	**(659)**	(3,206)
Amounts attributable to continuing operations (Note 5)	**13,575**	9,359

10. INCOME TAXES

(a) Income tax expense

	Group	
	2014	2013
	$'000	$'000
Tax expense attributable to the profit is made up of:		
– Profit for the financial year		
<u>From continuing operations</u>		
Current income tax		
– Singapore	**5,882**	4,685
– Foreign	**832**	153
	6,714	4,838
Deferred income tax (Note 28)	**(71)**	(1,000)
	6,643	3,838
<u>From discontinued operations</u>		
Deferred income tax (Note 11(a) and Note 28)	**–**	(18)
– (Over)/under provision in prior financial years		
<u>From continuing operations</u>		
Current income tax	**(289)**	(207)
Deferred income tax (Note 28)	**149**	(76)
	6,503	3,537
Tax expense is attributable to:		
– continuing operations	**6,503**	3,555
– discontinued operations (Note 11(a))	**–**	(18)
	6,503	3,537

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

10. INCOME TAXES (CONTINUED)

(a) Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2014	2013
	$'000	$'000
Profit before tax		
– continuing operations	**117,722**	96,713
– discontinued operations (Note 11(a))	**(69)**	(1,018)
	117,653	95,695
Share of profit of associated companies and joint ventures, net of tax	**(45,332)**	(37,173)
Profit before tax and share of profit of associated companies and joint ventures	**72,321**	58,522
Tax calculated at a tax rate of 17% (2013: 17%)	**12,295**	9,949
Effects of:		
– different tax rates in other countries	**(1,253)**	(565)
– statutory stepped income exemption	**(81)**	(54)
– expenses not deductible for tax purposes	**3,278**	1,658
– income not subject to tax	**(7,238)**	(7,312)
– utilisation of previously unrecognised tax losses	**(43)**	(21)
– utilisation of previously unrecognised capital allowances	**(15)**	(11)
– unrecognised deferred tax assets	**61**	392
– over provision of tax in prior years	**(140)**	(283)
– others	**(361)**	(216)
Tax charge	**6,503**	3,537

10. INCOME TAXES (CONTINUED)

(b) Movements in current income tax liabilities/(recoverable)

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**6,798**	6,050	**133**	294
Currency translation differences	**(16)**	20	**–**	–
Income tax paid – net	**(6,450)**	(3,903)	**(5)**	(28)
Tax expense	**6,714**	4,838	**156**	26
Over provision in prior financial years	**(289)**	(207)	**(92)**	(159)
End of financial year	**6,757**	6,798	**192**	133

The current income tax account comprises the following:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Current income tax recoverable (Included in Other assets – Note 16)	**(307)**	(110)	**–**	–
Current income tax liabilities	**7,064**	6,908	**192**	133
	6,757	6,798	**192**	133

(c) The tax charge relating to each component of other comprehensive income is as follows:

	Group	
	Before and after tax	Before and after tax
	2014	2013
	$'000	$'000
Fair value (losses)/gains and reclassification adjustments on available-for-sale financial assets	**(54)**	271
Currency translation losses arising from consolidation	**(5,517)**	(3,426)
Other comprehensive loss	**(5,571)**	(3,155)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

11. DISCONTINUED OPERATIONS

The stock and fixed assets of Summit Technology Australia Pty Ltd (comprising the Group's optical segment in Australia) were sold and completed on 17 April 2014. The entire results from Summit Technology Australia Pty Ltd and its subsidiary, Summit Printing (Australia) Pty Ltd are presented separately on the consolidated income statement as "Discontinued operations" for the current and prior financial years. Accordingly, disclosures for prior financial year in the consolidated income statement and its related notes have been represented.

(a) The results of the discontinued operations are as follows:

	Group	
	2014	2013
	$'000	$'000
Revenue	**1,876**	9,379
Other income	**118**	232
Other gains and losses*	**114**	(941)
Expenses	**(2,177)**	(9,688)
Loss before tax from discontinued operations	**(69)**	(1,018)
Tax credit	**–**	18
Loss after tax and other comprehensive loss from discontinued operations	**(69)**	(1,000)

* Includes gains on disposal of property, plant and equipment of $685,000.

Profit/(loss) attributable to equity holders of the Company relates to:		
– Profit from continuing operations	**111,269**	93,158
– Loss from discontinued operations	**(69)**	(1,000)
Total	**111,200**	92,158
Total comprehensive income attributable to equity holders of the Company relates to:		
– Profit from continuing operations	**105,698**	90,003
– Loss from discontinued operations	**(69)**	(1,000)
Total	**105,629**	89,003

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2014	2013
	$'000	$'000
Operating cash (outflows)/inflows	**(978)**	2,136
Investing cash inflows	**873**	213
Financing cash outflows	**–**	(97)
Total cash (outflows)/inflows	**(105)**	2,252

12. EARNINGS PER SHARE

(a) Basic earnings/(loss) per share

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

	Continuing operations		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
Net profit/(loss) attributable to equity holders of the Company ($'000)	**111,269**	93,158	**(69)**	(1,000)	**111,200**	92,158
Weighted average number of ordinary shares outstanding for basic earnings/(loss) per share ('000)	**756,590**	756,061	**756,590**	756,061	**756,590**	756,061
Basic earnings/(loss) per share (cents)	**14.71**	12.32	**(0.01)**	(0.13)	**14.70**	12.19

(b) Diluted earnings/(loss) per share

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

The Company has one category of dilutive potential ordinary shares: warrants.

For warrants, the weighted average number of shares on issue has been adjusted as if all dilutive warrants were exercised. The number of shares that could have been issued upon the exercise of all dilutive warrants less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

12. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings/(loss) per share (continued)

Diluted earnings/(loss) per share for continuing and discontinued operations attributable to equity holders of the Company is calculated as follows:

	Continuing operations		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
Net profit/(loss) used to determine diluted earnings per share ($'000)	**111,269**	93,158	**(69)**	(1,000)	**111,200**	92,158
Weighted average number of ordinary shares outstanding for basic earnings/(loss) per share ('000)	**756,590**	756,061	**756,590**	756,061	**756,590**	756,061
Adjustments for ('000)						
– Warrants	**14,531**	1,119	**14,531**	1,119	**14,531**	1,119
	771,121	757,180	**771,121**	757,180	**771,121**	757,180
Diluted earnings/(loss) per share (cents)	**14.43**	12.30	**(0.01)**	(0.13)	**14.42**	12.17

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 **$'000**	2013 $'000	**2014** **$'000**	2013 $'000
Cash at bank and on hand	**28,917**	15,699	**6,375**	2,164
Short-term bank deposits	**34,227**	28,675	**15,305**	17,316
	63,144	44,374	**21,680**	19,480

As at 31 December 2014, short-term bank deposits at the balance sheet date have an average maturity of 1 – 3 months (2013: 3 months) with the following weighted average effective interest rates:

	Group		Company	
	2014 **%**	2013 %	**2014** **%**	2013 %
Singapore Dollar	**0.82**	0.47	**1.05**	0.39
Australian Dollar	**2.01**	1.14	**2.01**	1.14
Sterling Pound	**0.37**	*	**0.05**	*

* As at 31 December 2013, the Group and the Company do not have short-term bank deposits in Sterling Pound.

13. CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group	
	2014	2013
	$'000	$'000
Cash and bank balances (as above)	**63,144**	44,374
Less: Short-term bank deposits charged as security to bank	**(4,028)**	(816)
Cash and cash equivalents per consolidated statement of cash flows	**59,116**	43,558

As at 31 December 2014, short-term bank deposits of the Group amounting to $4,028,000 (2013: $816,000) were charged as security to a bank as a guarantee in relation to a bank facility. An amount of $3,744,000 was set aside in 2012 to settle certain liabilities as part of the sale and purchase agreement relating to an acquisition of a subsidiary and the amount was released in 2013.

14. TRADE AND OTHER RECEIVABLES

(a) Current

	Group		Company	
	2014	**2013**	**2014**	2013
	$'000	**$'000**	**$'000**	$'000
Trade receivables – non-related parties	**5,066**	**8,201**	**12**	66
Less: Allowance for impairment	**(1,180)**	**(999)**	**–**	–
	3,886	**7,202**	**12**	66
Receivables from subsidiaries				
– trade	**–**	**–**	**428**	4,465
– non-trade	**–**	**–**	**6,754**	6,049
Receivables from joint ventures				
– trade	**206**	**2**	**–**	–
– non-trade	**69**	**151**	**9**	21
Receivables from associated company				
– non-trade	**–**	**8**	**–**	8
Loans to subsidiaries	**–**	**–**	**11,578**	11,578
Loans to associated companies	**–**	**6,205**	**–**	–
	275	**6,366**	**18,769**	22,121
Less: Allowance for impairment	**–**	**(2,659)**	**(10,897)**	(9,833)
	275	**3,707**	**7,872**	12,288
Other receivables	**832**	**286**	**60**	37
	4,993	**11,195**	**7,944**	12,391

During the year, the Company provided additional allowance for impairment of $1,064,000 (2013: $925,000) for loans to subsidiaries.

The non-trade receivables from subsidiaries, associated companies and joint ventures and loans to subsidiaries and associated companies are unsecured, interest-free and repayable on demand.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Non-current

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Loans to subsidiaries	**–**	–	**271,245**	264,932
Loans to an associated company	**604**	432	**–**	432
Less: Allowance for impairment	**–**	(432)	**–**	(432)
	604	–	**271,245**	264,932

The loans to subsidiaries and an associated company are unsecured with no fixed terms of repayment and are not expected to be repaid within the next twelve months. Included in the loans to subsidiaries is an amount of $40,205,000 (2013: $106,868,000) which bears interest at 5.5% (2013: 2.5% – 5.5%) per annum.

The loans to subsidiaries and an associated company are treated as a long-term source of additional capital and financing to the subsidiaries and an associated company. Accordingly, they are deemed to be quasi-equity representing an addition to the Company's net investments in the subsidiaries and an associated company.

15. INVENTORIES

	Group	
	2014	2013
	$'000	$'000
Finished goods	**87**	93
Work-in-progress	**–**	34
Raw materials	**556**	935
Less: Allowance for stock obsolescence	**–**	(68)
	643	994

The cost of inventories recognised as expense and included in "cost of sales" amounted to $2,542,000 (2013: $2,611,000).

16. OTHER ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Current				
Deposits	**12,530**	10,693	**137**	2,071
Prepayments	**829**	280	**127**	153
Tax recoverable (Note 10(b))	**307**	110	**–**	–
	13,666	11,083	**264**	2,224
Non-current				
Deposits	**265**	265	**265**	265

At the balance sheet date, the carrying amounts of the deposits approximated their fair values.

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**2,521**	4,250	**2,521**	4,250
Fair value (losses)/gains recognised in other comprehensive income (Note 30(b)(i))	**(207)**	271	**(207)**	271
Disposals	**–**	(2,000)	**–**	(2,000)
End of financial year	**2,314**	2,521	**2,314**	2,521

Available-for-sale financial assets are analysed as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Listed equity securities – Singapore	**2,314**	2,521	**2,314**	2,521

The fair values of listed equity securities are based on quoted market prices at the balance sheet date.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

18. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Equity investment, at cost			**1,668**	3,735
Less: Accumulated impairment			**(370)**	(370)
Less: Disposal of investment in an associated company			**–**	(2,067)
			1,298	1,298
Beginning of financial year	**1,348**	1,363		
Currency translation difference	**(23)**	(55)		
Provision for diminution in investments	**–**	(2)		
Acquisition of a new associated company	**64**	–		
Disposal of investment in associated company	**(2)**	–		
Share of (losses)/profit	**(16)**	42		
End of financial year	**1,371**	1,348		

(a) The Group has not recognised its share of losses of associated companies amounting to $nil (2013: $28,000) because the Group's cumulative share of losses exceeds its interest in these entities and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to these entities amount to $nil (2013: $54,000) at the balance sheet date.

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

(b) Set out below are the associated companies of the Group as at 31 December 2014, which in the opinion of the directors, are not material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also their principal place of business.

18. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Name of entity	Principal activities	Place of business/ country of incorporation	% of ownership interest 2014 %	% of ownership interest 2013 %
Held directly by the Company				
Sherford (M) Sdn Bhd[a]	Property investment	Malaysia	**25**	25
Held by subsidiaries				
Shanghai Huade Photoelectron Science & Technology Co. Ltd[b],[e]	Dormant	People's Republic of China	**	49
AVSM Logistics Pte Ltd[c],[f]	Provide warehousing and logistic services	Singapore	**–**	40
Typhoon Creations Pte Ltd[c],[g]	Marketing services	Singapore	**–**	20
Oriental Amber Sdn Bhd[d],[h]	Provision of dormitory accommodation, management and services	Malaysia	**49**	–

(a) Audited by M.S. Wong & Co.
(b) Audited by Shanghai LSC Certified Public Accountants Co., Ltd
(c) Audited by Messrs James Chan & Partners. Companies have been disposed during the financial year.
(d) Audited by PricewaterhouseCoopers, Malaysia
(e) Holdings through Advance Technology Investment Ltd
(f) Holdings through Summit CD Manufacture Pte Ltd
(g) Holdings through SM Summit Holdings Pte Ltd
(h) Holdings through Centurion Dormitories Sdn Bhd
** Became a subsidiary during the financial year (Note 20(b)).

19. INVESTMENTS IN JOINT VENTURES

	Group 2014 $'000	Group 2013 $'000
Beginning of financial year	**52,569**	15,438
Share of profits	**45,348**	37,131
Dividends received	**(13,500)**	–
End of financial year	**84,417**	52,569

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

19. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Set out below is the joint ventures of the Group as at 31 December 2014, which, in the opinion of the directors, is material to the Group. The joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also its principal place of business.

Name of entity	Principal activities	Country of incorporation and business carried on in	% of ownership interest 2014 %	% of ownership interest 2013 %
Held by subsidiaries				
Lian Beng-Centurion (Mandai) Pte Ltd[(a),(b)]	Property development and owner of a workers' dormitory	Singapore	**45**	45
Held by joint venture				
Lian-Beng Centurion (Dormitory) Pte Ltd[(a)]	Provision of dormitory accommodation services	Singapore	**45**	45

(a) Audited by Ernst and Young LLP, Singapore

(b) Holdings through Centurion Dormitories Pte Ltd

Summarised financial information for joint ventures

Set out below is the summarised financial information for the joint ventures held by the Group.

Summarised balance sheet

	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December		Total As at 31 December	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000
ASSETS						
Current assets	**12,268**	15,845	**15,628**	11,610	**27,896**	27,455
Includes:						
– Cash and cash equivalents	**2,304**	9,056	**9,589**	11,266	**11,893**	20,322
Non-current assets	**270,000**	214,349	**924**	645	**270,924**	214,994
LIABILITIES						
Current liabilities	**(16,700)**	(32,407)	**(7,288)**	(5,332)	**(23,988)**	(37,739)
Includes:						
– Borrowings	**(5,256)**	(19,397)	**–**	–	**(5,256)**	(19,397)
Non-current liabilities	**(97,857)**	(98,524)	**(48)**	(32)	**(97,905)**	(98,556)
Includes:						
– Borrowings	**(97,857)**	(98,524)	**–**	–	**(97,857)**	(98,524)
NET ASSETS	**167,711**	99,263	**9,216**	6,891	**176,927**	106,154

19. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised statement of comprehensive income

	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December		Total As at 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Sales	**123,993**	–	**21,565**	10,806	**145,558**	10,806
Interest income	**24**	60	**136**	11	**160**	71
Expenses includes						
– Depreciation and amortisation	**–**	–	**(205)**	(69)	**(205)**	(69)
– Interest expense	**(1,995)**	(1,171)	**–**	–	**(1,995)**	(1,171)
Profit before tax	**105,952**	76,527	**14,914**	7,184	**120,866**	83,711
Income tax expense	**(7,504)**	–	**(2,589)**	(1,198)	**(10,093)**	(1,198)
Total profit and total comprehensive income	**98,448**	76,527	**12,325**	5,986	**110,773**	82,513
Dividends received from joint ventures	**13,500**	–	**–**	–	**13,500**	–

The information above reflects the amounts included in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures.

There are no contingent liabilities relating to the Group's interest in the joint ventures. There are capital commitments relating to the Group's proportionate interest in the joint ventures of $nil (2013: $1,568,000).

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in the joint ventures is as follows:

	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December		Total As at 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Net assets						
At 1 January	**99,263**	22,736	**6,891**	905	**106,154**	23,641
Profit for the year	**98,448**	76,527	**12,325**	5,986	**110,773**	82,513
Dividends paid	**(30,000)**	–	**(10,000)**	–	**(40,000)**	–
Net assets as at 31 December	**167,711**	99,263	**9,216**	6,891	**176,927**	106,154
Interest in the joint ventures (45%)	**75,470**	44,668	**4,147**	3,101	**79,617**	47,769
Goodwill	**4,800**	4,800	**–**	–	**4,800**	4,800
Carrying value	**80,270**	49,468	**4,147**	3,101	**84,417**	52,569

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	2013
	$'000	$'000
Equity investment, at cost	**26,093**	15,094
Less: Accumulated impairment	**(7,331)**	(5,048)
	18,762	10,046

(a) The carrying amount of investments in subsidiaries and the movement in the related allowance for impairment are as follows:

Beginning of financial year	**10,046**	9,946
Additions	**10,999**	100
Impairment of subsidiaries	**(2,283)**	–
End of financial year	**18,762**	10,046

(b) Acquisition of subsidiaries

2014

(i) Acquisition of additional equity interest in an associated company

On 27 January 2014, Advance Technology Investment Ltd ("ATL"), an indirect wholly-owned subsidiary of the Company, has acquired an additional 36% of the equity interest in Shanghai Huade Photoelectron Science & Technology Co. Ltd. ("SHD"), a 49% associated company, from Chinatex (HK) Holdings Ltd (Beijing), an existing shareholder of SHD, for a total consideration of RMB10,000 (equivalent to S$2,084). As a result, the Group obtained control in SHD.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest and the effects on the cash flow of the Group, at the acquisition date are as follows:

	Group
	$'000
Identifiable assets acquired and liabilities assumed, at fair value	
Cash and cash equivalents	372
Other current assets	64
Plant and equipment	29
Investment property	3,962
Total assets	4,427
Trade and other payables	(989)
Borrowings	(3,436)
Total liabilities	(4,425)
Identifiable net assets	2
Non-controlling interests at proportionate share of the identifiable net assets	*
Consideration paid for additional 36% equity interest	**2**

* Amounts are less than $1,000

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (continued)

2014 (continued)

(i) Acquisition of additional equity interest in an associated company (continued)

The effects on the cash flows of the Group were as follows:

	Group $'000
Effects on cash flows of the Group	
Cash paid	(2)
Less: Cash and cash equivalents in subsidiary acquired	372
Cash inflow on acquisition	**370**

2013

(i) Acquisition of Westlite Dormitory (PG II) Sdn Bhd

On 8 March 2013, the Group acquired 100% interest in Westlite Dormitory (PG II) Sdn Bhd who is the registered owner of 2 plots of land held under HS(D) 135075 PTD 71015 and HS(D) 135077 PTD 71017, both in the Mukim of Plentong, Johor Bahru, measuring approximately 1,852 square metres and 1,764 square metres respectively (the "Land") together with 2 blocks of dormitory (the "Buildings") erected thereon (the "Property"). The Buildings are undergoing refurbishments and when completed, will have an approximate capacity of 1,000 beds.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flow of the Group, at the acquisition date are as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed, at fair value	
Cash and cash equivalents	*
Investment property	1,480
Total assets	1,480
Trade and other payables	–
Loans from shareholders	(1,480)
Total liabilities	(1,480)
Identifiable net assets	–
Consideration paid for 100% equity interest	*

* Amounts are less than $1,000

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (continued)

2013 (continued)

(i) Acquisition of Westlite Dormitory (PG II) Sdn Bhd (continued)

Subsequent to the acquisition, the Group repaid the loan to the previous shareholders. The effects on the cash flows of the Group were as follows:

	Group $'000
Effects on cash flows of the Group	
Cash paid	1,480
Less: Cash and cash equivalents in subsidiary acquired	*
Cash outflow on acquisition	1,480

* Amounts are less than $1,000

(ii) Acquisition of Westlite Dormitory (SN II) Sdn Bhd

On 8 March 2013, the Group acquired 100% interest in Westlite Dormitory (SN II) Sdn Bhd who is the registered owner of a plot of land held under GRN 231558 Lot 6214 Mukim of Senai, District of Kulaijaya, measuring approximately 1.0971 hectares.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flow of the Group, at the acquisition date are as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed, at fair value	
Cash and cash equivalents	*
Investment property	2,199
Total assets	2,199
Trade and other payables	(2)
Loans from shareholders	(2,137)
Total liabilities	(2,139)
Identifiable net assets	60
Consideration paid for 100% equity interest	60

* Amounts are less than $1,000

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (continued)

2013 (continued)

(ii) Acquisition of Westlite Dormitory (SN II) Sdn Bhd (continued)

Subsequent to the acquisition, the Group repaid the loan to the previous shareholders. The effects on the cash flows of the Group were as follows:

	Group $'000
Effects on cash flows of the Group	
Cash paid	2,197
Less: Cash and cash equivalents in subsidiary acquired	*
Cash outflow on acquisition	**2,197**

* Amounts are less than $1,000

(iii) Acquisition of remaining 10% interest in Westlite Dormitory Investments Private Limited

On 24 January 2013, the Group acquired the remaining 10% interest in Westlite Dormitory Investments Private Limited. Subsequent to the acquisition, Westlite Dormitory Investments Private Limited became a wholly-owned subsidiary of the Group. This acquisition is accounted for as a transaction with equity owners of the Group, the difference of $342,000 between the change in the carrying amount of the non-controlling interest and the fair value of the consideration paid has been recognised within equity attributable to the equity holders of the Company.

(c) The Group had the following subsidiaries as at 31 December 2014 and 2013:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	**2014 %**	2013 %	**2014 %**	2013 %
Summit CD Manufacture Pte Ltd[(a)]	Manufacture and replication of compact discs, data storage products and related components	Singapore	**100**	100	**100**	100	**–**	–
Summit Hi-Tech Pte Ltd[(a)]	Manufacture and replication of digital versatile discs, data storage products and related components	Singapore	**100**	100	**100**	100	**–**	–
SM Summit Holdings Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2014 and 2013: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	**2014 %**	2013 %	**2014 %**	2013 %
Clean2Go Laundry Pte Ltd (formerly known as Purple Vision Pte Ltd)[(a),(h)]	Laundry and dry cleaning services	Singapore	**–**	–	**100**	100	**–**	–
Advance Technology Investment Ltd[(b),(h)]	Investment holding	Hong Kong	**–**	–	**100**	100	**–**	–
Shanghai Huade Photoelectron Science & Technology Co. Ltd[(c),(i)]	Dormant	People's Republic of China	**–**	–	**85**	**	**15**	**
Summit Technology Australia Pty Ltd[(d)]	Ceased operations	Australia	**100**	100	**100**	100	**–**	–
Summit Printing (Australia) Pty Ltd[(d),(j)]	Ceased operations	Australia	**–**	–	**100**	100	**–**	–
Centurion Accommodation (Australia) Pty Ltd[(d),(j)]	Property investment	Australia	**–**	–	**100**	100	**–**	–
SM Summit Holdings (HK) Ltd[(b)]	Dormant	Hong Kong	**100**	100	**100**	100	**–**	–
Summit CD Manufacture (HK) Ltd[(b)]	Dormant	Hong Kong	**100**	100	**100**	100	**–**	–
Gate Cosmos Investments Ltd[(b)]	Trading and investment holding	British Virgin Islands	**100**	100	**100**	100	**–**	–
PT Digital Media Technology[(e),(k)]	Manufacture and replication of compact discs, data storage products and related components	Indonesia	**–**	–	**100**	100	**–**	–
Centurion Dormitories Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Westlite Dormitory Management Pte Ltd[(a),(l)]	Provision of management services	Singapore	**–**	–	**100**	100	**–**	–

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2014 and 2013: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	**2014 %**	2013 %	**2014 %**	2013 %
Westlite Dormitory (Toh Guan) Pte Ltd[(a),(l)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**100**	100	**–**	–
Westlite Dormitory Investments Private Limited[(a),(l)]	Investment holding	Singapore	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tuas) Pte Ltd[(a),(m)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**100**	100	**–**	–
Centurion Dormitories Holdings Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Westlite Dormitory (V One) Pte Ltd[(a),(n)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**100**	100	**–**	–
Westlite Dormitory (V Two) Pte Ltd[(a),(n)]	Investment holding	Singapore	**–**	–	**100**	100	**–**	–
PT Westlite Accommodation Cibitung[(b),(o)]	Property investment and provision of dormitory accommodation services	Indonesia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (V Three) Pte Ltd[(a),(n)]	Provision of dormitory services and trading	Singapore	**–**	–	**100**	100	**–**	–
Centurion Dormitory Venture Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Centurion-Lian Beng (Papan) Pte Ltd (formerly known as Westlite Dormitory (V Four) Pte Ltd)[(a),(p)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**51**	100	**49**	–
Westlite Dormitory (V Five) Pte Ltd[(a),(p)]	Provision of dormitory services and trading	Singapore	**–**	–	**100**	100	**–**	–

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2014 and 2013: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	**2014 %**	2013 %	**2014 %**	2013 %
Centurion Dormitories Sdn Bhd[(f),(l)]	Investment holding	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory Management Sdn Bhd[(f),(q)]	Provision of management services	Malaysia	**–**	–	**100**	100	**–**	–
WLC Management Services Sdn Bhd[(f),(q)]	Provision of dormitory management and dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tebrau) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Cemerlang) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (JB Techpark) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tampoi) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Pasir Gudang) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (PG II) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Senai) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (SN II) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2014 and 2013: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	**2014 %**	2013 %	**2014 %**	2013 %
Westlite Dormitory (Penang Juru) Sdn Bhd (formerly known as Tropianis Development Sdn Bhd)[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Volvilla Development Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	–	**–**	–
Centurion Overseas Investments Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Centurion Overseas Ventures Ltd[(b),(r)]	Investment holding and provision of management services	Malaysia	**–**	–	**100**	100	**–**	–
Centurion Melbourne Student Village Trust[(d),(s)]	Trust	Australia	**–**	–	**100**	–	**–**	–
Centurion Melbourne Apartment Trust[(d),(s)]	Trust	Australia	**–**	–	**100**	–	**–**	–
Centurion Australia Investments Pty Ltd[(b),(r)]	Trustees for 2 trusts in Australia	Australia	**–**	–	**100**	100	**–**	–
Centurion Student Services Pty Ltd[(d),(r)]	Operator of RMIT Village	Australia	**–**	–	**100**	100	**–**	–
Centurion Student Services (UK) Ltd[(g),(r)]	Provide management services and leasing services to students	United Kingdom	**–**	–	**100**	–	**–**	–
Centurion Investments (JS) Ltd[(g),(r)]	Property investment and provision of student accommodations	United Kingdom	**–**	–	**100**	–	**–**	–
Centurion Investments (JSI) Ltd[(g),(r)]	Property investment and provision of student accommodations	United Kingdom	**–**	–	**100**	–	**–**	–
Centurion Investments (JSII) Ltd[(g),(r)]	Property investment and provision of student accommodations	United Kingdom	**–**	–	**100**	–	**–**	–

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2014 and 2013: (continued)

- (a) Audited by PricewaterhouseCoopers LLP, Singapore
- (b) Not required to be audited under the laws of the country of incorporation
- (c) Audited by Shanghai LSC Certified Public Accountants Co., Ltd
- (d) Audited by Crowe Horwath, Australia
- (e) Audited by Moores Rowland Indonesia, PT (formerly known as Mazars, Indonesia), Indonesia
- (f) Audited by PricewaterhouseCoopers, Malaysia
- (g) Audited by PricewaterhouseCoopers LLP, Singapore for the purpose of preparing the consolidated financial statements of the Group.
- (h) Holdings through SM Summit Holdings Pte Ltd
- (i) Holdings through Advance Technology Investment Ltd
- (j) Holdings through Summit Technology Australia Pty Ltd
- (k) Holdings through Gate Cosmos Investments Ltd and SM Summit Holdings Pte Ltd
- (l) Holdings through Centurion Dormitories Pte Ltd
- (m) Holdings through Westlite Dormitories Investments Pte Ltd
- (n) Holdings through Centurion Dormitories Holdings Pte Ltd
- (o) Holdings through Westlite Dormitory (V Two) Pte Ltd and Gate Cosmos Investments Ltd
- (p) Holdings through Centurion Dormitory Venture Pte Ltd
- (q) Holdings through Centurion Dormitories Sdn Bhd
- (r) Holdings through Centurion Overseas Investments Pte Ltd
- (s) Holdings through Centurion Overseas Ventures Ltd
- (t) In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries, joint ventures and associated companies would not compromise the standard and effectiveness of the audit of the Group.
- ** Became a subsidiary during the financial year (Note 20(b)).

21. INVESTMENT PROPERTIES

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**368,712**	211,523
Acquisition of subsidiaries	**3,962**	3,679
Currency translation differences	**(6,623)**	(1,865)
Additions to investment properties	**278,078**	112,253
Net fair value gains recognised in profit or loss	**40,308**	43,122
End of financial year	**684,437**	368,712

Investment properties are leased to non-related parties under operating leases (Note 33(c)).

Certain investment properties are pledged as security for the bank facilities extended to subsidiaries (Note 25(a)). The carrying values of these investment properties amounted to approximately $644,946,000 (2013: $334,470,000).

21. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in profit or loss:

	Group	
	2014	2013
	$'000	$'000
Rental income (Note 4)	**49,941**	29,845
Service charges (Note 4)	**23,415**	16,167
Direct operating expenses arising from:		
– Investment properties that generated rental income and service charges	**(36,260)**	(16,918)
– Investment property that do not generate rental income	**(118)**	–

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description	Existing Use	Tenure	Unexpired term of lease
Toh Guan Road, Singapore	8 blocks of workers dormitory	Commercial dormitory	Leasehold	43 years
Tuas South Ave 9, Singapore	8 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	2.3 years
Woodlands Avenue 10, Singapore	Under construction	Commercial dormitory	Leasehold	29 years
Johor Technology Park, Malaysia	5 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	98 years
Tebrau, Malaysia	2 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	46 years
Desa Cemerlang, Malaysia	9 blocks of workers dormitory	Commercial dormitory	Freehold	–
Pasir Gudang, Malaysia	2 blocks of workers dormitory	Commercial dormitory	Leasehold	71 years
Pasir Gudang II, Malaysia	2 blocks of workers dormitory	Commercial dormitory	Leasehold	71 years
Tampoi, Malaysia	Under construction	Commercial dormitory	Freehold	–
Senai, Malaysia	2 blocks of workers dormitory	Commercial dormitory	Freehold	–
Senai II, Malaysia	Under construction	Commercial dormitory	Freehold	–
Bukit Minyak Penang, Malaysia	Land	Commercial dormitory	Freehold	–
Shanghai Huade, China	Industry factory building	Factory rental	Leasehold	39.5 years
RMIT Village Student Accommodation Melbourne, Australia	456 bedrooms of accommodation	Student accommodation	Freehold	–

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

21. INVESTMENT PROPERTIES (CONTINUED)

At the balance sheet date, the details of the Group's investment properties are as follows: (continued)

Location	Description	Existing Use	Tenure	Unexpired term of lease
RMIT Village Car Park Melbourne, Australia	Commercial car park	Commercial car park	Freehold	–
Manchester Student Village	Two 9-storey blocks and a 7-storey block	Student accommodation	Freehold	–
Manchester Student Village South	7 blocks with 8 clusters in each block and 4 blocks with 6 or 8 clusters in each block	Student accommodation	Freehold	–
The Grafton	1 block with 55 flats	Student accommodation	Freehold	–
Cathedral Campus	Eighty seven 3-storey houses arranged in 14 terraced blocks around 3 courtyard areas	Student accommodation	Leasehold	243 years
Port Hedland, Australia	Land	Industrial	Freehold	–
Jl, Wareng Kali Jambe Lambang Sari Village Sub district of Tambun Bekasi, West Java	Land	Residential	Leasehold	29 years

Fair value hierarchy – Recurring fair value measurements

	Fair value measurements using		
Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$'000	$'000	$'000
31 December 2014			
Recurring fair value measurements			
Investment properties:			
– Land and industrial property	**–**	**2,461**	**7,568**
– Commercial dormitories	**–**	**–**	**443,380**
– Student accommodation	**–**	**–**	**231,028**
31 December 2013			
Recurring fair value measurements			
Investment properties:			
– Land	–	85,157	–
– Commercial dormitories	–	–	283,555

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation technique used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the recent purchase price of the land.

Reconciliation of movements in Level 3 fair value measurement

Description	Land, industrial property and commercial dormitories	Student accommodation	Total
	$'000	$'000	$'000
31 December 2014			
Beginning of financial year	**283,555**	**–**	**283,555**
Acquisition of subsidiaries	**3,962**	**–**	**3,962**
Transfers to Level 3	**85,157**	**–**	**85,157**
Currency translation differences	**(861)**	**(5,766)**	**(6,627)**
Gains/(losses) recognised in profit or loss	**43,442**	**(2,968)**	**40,474**
Additions and subsequent expenditure on investment property	**35,693**	**239,762**	**275,455**
End of financial year	**450,948**	**231,028**	**681,976**
31 December 2013			
Beginning of financial year	211,523	–	211,523
Acquisition of subsidiaries	3,679	–	3,679
Currency translation differences	(1,865)	–	(1,865)
Gains recognised in profit or loss	43,122	–	43,122
Additions and subsequent expenditure on investment property	27,096	–	27,096
End of financial year	283,555	–	283,555

There were no changes in valuation techniques during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair values measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Country	Description	Fair value at 31 December 2014 ($'000)	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Singapore	Commercial dormitories	385,674 (2013: 244,417)	Income approach	Discount rate	7.5% – 30% (2013: 7.5% – 30%)	The higher the discount rate, the lower the valuation
				Estimated costs to completion	$36.3 million (2013: $8.0 million to $10.0 million)	The higher the estimated costs to completion, the lower the valuation
				Rental rate per room per month	$3,300 – $6,800 (2013: $3,200 – $3,300)	The higher the rental rate per room, the higher the valuation
Indonesia	Land	904	Sales comparison approach	Market value per square metre	$120 – $130 per square metre	The higher the market price per square metre, the higher the valuation
People's Republic of China	Industrial property	4,072	Sales comparison approach	Market value per square metre	$390 – $400 per square metre	The higher the market price per square metre, the higher the valuation

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair values measurements (continued)

Country	Description	Fair value at 31 December 2014 ($'000)	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Malaysia	Commercial dormitories	57,706 (2013: 35,873)	Income approach	Discount rate	8% – 8.5%	The higher the discount rate, the lower the valuation
				Rental rate per room per month	$490 – $2,300	The higher the rental rate per room, the higher the valuation
			Cost approach	Market price per square metre	$160 – $200 per square metre (2013: $50 – $180 per square metre)	The higher the market price per square metre, the higher the valuation
				Depreciated replacement costs	$1.2 million to $8.5 million (2013: $899,000 to $8.3 million)	The higher the depreciated replacement costs, the higher the valuation
Australia	Land	2,592 (2013:3,265)	Sales comparison approach	Market price per square metre	$580 – $590 per square metre (2013: $730 – $740 per square metre)	The higher the market price per square metre, the higher the valuation
United Kingdom	Student accommodation	159,682	Investment approach	Applied yield rate	6.75% to 7.25%	The higher the yield rate, the higher the valuation
				Rental rate per room per week	$185 to $330 per week	The higher the rent per week, the higher the valuation

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair values measurements (continued)

Country	Description	Fair value at 31 December 2014 ($'000)	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Australia	Student accommodation	71,346	Income Approach	Discount rate	10.75%	The higher the discount rate, the lower the valuation
				Rental rate per room per week	$325	The higher the rent per week, the higher the valuation

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year based on the properties highest and best use. As at 31 December 2014, the fair values of the properties have been determined by Suntec Real Estate Consultants Pte Ltd, AVS Property Valuers, C H Williams Talhar & Wong Sdn Bhd, Knight Frank Malaysia Sdn. Bhd, Jones Lang LaSelle Advisory Services Pty Ltd, KJPP Billy Anthony Lie & Rekan, Shanghai Cairul Real Estate Land Appraisal Co., Ltd and GVA Grimley Ltd.

At each financial year, the investment and finance department of the Group together with the Group Chief Executive Officer:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports;
- holds discussions with the independent valuers and;
- analyses the reasons for the fair value movements.

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group (Continued)

Changes in Level 2 and 3 fair values are analysed at each reporting date.

Income approach involves the discounting of future net income flows at an appropriate required rate of return applicable to that class of property to obtain the net present value. The net income is derived by deducting from the gross income, outgoings such as operating expenses and property tax, and after making allowances for vacancies.

Cost approach involves separately determine the values of the land and building and a summation of these values is taken to be the fair value of the property. The value of the land is arrived at by the comparison approach in which it takes reference to transactions of similar lands in the surrounding with adjustments made for any differences. The buildings are valued by reference to their depreciated replacement cost. It is determined by taking current replacement cost of the building as new and allowing for depreciation for obsolescence.

Sales comparison approach involves using the values of sale prices of comparable properties and comparing it directly to the subject property. Allowances are made for difference in the properties including land size, improvements and location. The most significant input into this valuation approach is selling price per metre.

Investment approach involves capitalising the net income of the properties at an appropriate capitalisation rate. The net income is derived by deducting from the gross income, outgoings such as operating expenses and property tax, and after making allowances for variances.

The main Level 3 inputs used by the Group are derived and evaluated as follows:

The estimated costs to completion for investment property under construction are estimated by management using the budgets developed internally by the Group based on management's experience and knowledge of market conditions.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

22. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building $'000	Plant, machinery and equipment $'000	Renovation, furniture and fittings $'000	Motor vehicles $'000	Office equipment and computers $'000	Capital work-in-progress $'000	Total $'000
Group							
2014							
Cost							
Beginning of financial year	1,848	5,154	3,282	542	323	311	11,460
Currency translation differences	(12)	(225)	(97)	(7)	(43)	–	(384)
Additions	–	666	1,147	72	477	15	2,377
Disposals	(9)	(389)	(293)	(44)	(161)	–	(896)
Reclassification	–	566	(566)	–	–	–	–
Transfer from capital work-in-progress	–	77	212	–	37	(326)	–
Acquisition of subsidiary	–	–	–	–	29	–	29
End of financial year	1,827	5,849	3,685	563	662	–	12,586
Accumulated depreciation							
Beginning of financial year	56	132	1,077	265	81	–	1,611
Currency translation differences	(46)	(231)	(73)	(10)	(43)	–	(403)
Disposals	–	(204)	(7)	(39)	(144)	–	(394)
Depreciation charge							
– Continuing operations (Note 5)	137	945	644	62	140	–	1,928
– Discontinued operations (Note 11(a))	–	2	11	–	13	–	26
Reclassification	–	166	(95)	10	5	–	86
End of financial year	147	810	1,557	288	52	–	2,854
Accumulated impairment							
Beginning of financial year	–	3,455	293	81	1	–	3,830
Currency translation differences	–	41	(12)	2	–	–	31
Disposals	–	(176)	(280)	(2)	30	–	(428)
Reclassification	–	(65)	–	(10)	(11)	–	(86)
End of financial year	–	3,255	1	71	20	–	3,347
Net book value							
End of financial year	**1,680**	**1,784**	**2,127**	**204**	**590**	**–**	**6,385**

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and building	Plant, machinery and equipment	Renovation, furniture and fittings	Motor vehicles	Office equipment and computers	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group (continued)							
2013							
Cost							
Beginning of financial year	2,384	11,003	2,627	520	488	45	17,067
Currency translation differences	(539)	(2,459)	(254)	(101)	(216)	–	(3,569)
Additions	3	259	955	123	92	332	1,764
Disposals	–	(3,732)	(46)	–	(24)	–	(3,802)
Reclassification	–	83	–	–	(83)	–	–
Transfer from capital work-in-progress	–	–	–	–	66	(66)	–
End of financial year	1,848	5,154	3,282	542	323	311	11,460
Accumulated depreciation							
Beginning of financial year	181	3,382	600	236	200	–	4,599
Currency translation differences	(246)	(1,938)	(182)	(79)	(204)	–	(2,649)
Disposals	–	(3,325)	(32)	–	(16)	–	(3,373)
Depreciation charge							
– Continuing operations (Note 5)	109	1,600	483	108	102	–	2,402
– Discontinued operations (Note 11(a))	12	371	208	–	41	–	632
Reclassification	–	42	–	–	(42)	–	–
End of financial year	56	132	1,077	265	81	–	1,611
Accumulated impairment							
Beginning of financial year	–	200	–	–	4	–	204
Currency translation differences	–	164	(5)	(2)	–	–	157
Impairment for the year							
– Continuing operations (Note 7)	–	2,932	–	83	1	–	3,016
– Discontinued operations (Note 11(a))	–	493	298	–	–	–	791
Disposals	–	(334)	–	–	(4)	–	(338)
End of financial year	–	3,455	293	81	1	–	3,830
Net book value							
End of financial year	**1,792**	**1,567**	**1,912**	**196**	**241**	**311**	**6,019**

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant, machinery and equipment	Renovation, furniture and fittings	Motor vehicles	Office equipment and computers	Total
	$'000	$'000	$'000	$'000	$'000
Company					
2014					
Cost					
Beginning of financial year	6	863	822	517	2,208
Additions	–	8	72	125	205
Disposals	–	–	–	(38)	(38)
End of financial year	6	871	894	604	2,375
Accumulated depreciation					
Beginning of financial year	6	845	768	470	2,089
Depreciation charge	–	5	20	31	56
Disposals	–	–	–	(35)	(35)
End of financial year	6	850	788	466	2,110
Net book value					
End of financial year	**–**	**21**	**106**	**138**	**265**
2013					
Cost					
Beginning of financial year	6	849	822	490	2,167
Additions	–	14	–	27	41
End of financial year	6	863	822	517	2,208
Accumulated depreciation					
Beginning of financial year	6	842	750	453	2,051
Depreciation charge	–	3	18	17	38
End of financial year	6	845	768	470	2,089
Net book value					
End of financial year	**–**	**18**	**54**	**47**	**119**

(a) At the balance sheet date, the net book value of property, plant and equipment of the Group under finance lease agreements amounted to $nil (2013: $16,000) (Note 25(c)).

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) The leasehold land and building of the Group comprise:

Location	Tenure	Use of property
Indonesia MM 2100 Industrial Town Jl. Bali Blok HI-1 Cibitung Bekasi 17520	22 years lease from 30 September 2004, with an option to extend for a further 20 years	Industrial factory building

(c) In 2013, the Group recorded an impairment loss of $3,807,000 on plant, machinery and equipment of the optical business segment mainly due to the decrease in the estimated recoverable amount of these assets. The recoverable amount of these assets was determined based on the value-in-use calculations and included management's assumptions on the future market conditions for the optical business.

Cash flow projections used in the value-in-use calculations were based on the approved financial budget for 2014 and projection based on financial budget for 2015. The financial budget and projection are approved by the Management. Other key assumptions used for value-in-use calculations include budgeted sales reductions, budgeted gross margins, pre-tax discount rates and the estimated net cash flows to be received for the disposal of the assets. The pre-tax discount rate used in the value-in-use calculations is 8% to 15%. If the pre-tax discount rate applied to the value-in-use calculations is increased by 3%, the carrying value of the plant, machinery and equipment would have decreased by approximately $32,000, assuming that the other variables remain unchanged.

23. INTANGIBLE ASSETS

	Group	
	2014 **$'000**	2013 $'000
Composition:		
Goodwill arising on consolidation (Note (a))	**207**	207
Favourable lease agreement (Note (b))	**11,527**	16,466
	11,734	16,673

(a) Goodwill arising on consolidation

	Group	
	2014 **$'000**	2013 $'000
Cost		
Beginning and end of financial year	**13,238**	13,238
Accumulated impairment		
Beginning of financial year	**13,031**	12,967
Impairment for the year	**–**	64
End of financial year	**13,031**	13,031
Net book value	**207**	207

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

23. INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill arising on consolidation (continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to the individual entity and business segment.

In 2013, the goodwill of $64,000 which arose from the acquisition of PT Digital Media Technology, an entity in the optical business segment, was fully impaired during the financial year based on the value-in-use calculations (Note 22(c)).

A summary of the goodwill allocation and key assumptions used for value-in-use calculations are as follows:

	2014	2013	**Growth rate**		**Discount rate**	
Cash-generating unit ("CGU")	**$'000**	$'000	**2014**	2013	**2014**	2013
Dormitory accommodation						
Westlite Dormitory (Tebrau) Sdn Bhd	**207**	207	**4%**	4%	**8.5%**	11.5%

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a ten-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated above which is based on management's expectations of the market development. The discount rates applied to the cash flow projections were pre-tax and reflected a reasonable risk premium at the date of the assessment of the CGU.

(b) Favourable lease agreement

	Group	
	2014	2013
	$'000	$'000
Cost		
Beginning and end of financial year	**25,521**	25,521
Accumulated amortisation		
Beginning of financial year	**9,055**	4,116
Amortisation charge	**4,939**	4,939
End of financial year	**13,994**	9,055
Net book value	**11,527**	16,466

23. INTANGIBLE ASSETS (CONTINUED)

(c) Amortisation expense included in the consolidated income statement is analysed as follows:

	Group	
	2014	2013
	$'000	$'000
Cost of sales (Note 5)	**4,939**	4,939

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade payables to:				
– non-related parties	**2,880**	6,480	**312**	87
– associated companies	**–**	11	**–**	–
	2,880	6,491	**312**	87
Non-trade payables to:				
– associated companies	**–**	76	**–**	–
– subsidiaries	**–**	–	**953**	10
Advanced rental	**4,375**	434	**–**	–
Deferred income	**40**	–	**–**	–
Deposits received	**11,709**	9,357	**–**	179
Accruals for operating expenses	**10,828**	7,746	**3,555**	1,662
Accrued construction costs payable	**8,729**	–	**–**	–
Other payables	**1,984**	1,746	**1,509**	1,405
Total trade and other payables	**40,545**	25,850	**6,329**	3,343

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

25. BORROWINGS

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Current				
Bank borrowings (Note (a))	**23,379**	17,350	**–**	–
Finance lease liabilities (Note (c) and Note 26)	**–**	7	**–**	–
	23,379	17,357	**–**	–
Non-current				
Bank borrowings (Note (a))	**304,836**	70,172	**–**	–
Other long term advance from non-controlling interests	**4,120**	–	**–**	–
Notes payables (Note (b))	**100,000**	100,000	**100,000**	100,000
Less: Transaction costs	**(875)**	(1,339)	**(875)**	(1,339)
	99,125	98,661	**99,125**	98,661
	408,081	168,833	**99,125**	98,661
Total borrowings	**431,460**	186,190	**99,125**	98,661

The borrowings are repayable as follows:

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
– not later than one year	**23,379**	17,357	**–**	–
– between one to five years	**237,557**	144,417	**99,125**	98,661
– after five years	**170,524**	24,416	**–**	–
	431,460	186,190	**99,125**	98,661

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

	Variable rates			Fixed rates			
	Less than 6 months $'000	6 to 12 months $'000	1 to 5 years $'000	Less than 6 months $'000	6 to 12 months $'000	1 to 5 years $'000	Total $'000
Group							
2014							
Total borrowings	**9,740**	**13,639**	**304,836**	**–**	**–**	**99,125**	**427,340**
2013							
Total borrowings	6,604	10,746	70,172	4	3	98,661	186,190
Company							
2014							
Total borrowings	**–**	**–**	**–**	**–**	**–**	**99,125**	**99,125**
2013							
Total borrowings	–	–	–	–	–	98,661	98,661

The other long term advance from non-controlling interests is interest-free and unsecured with no fixed terms of repayment and is not expected to be repaid within the next twelve months.

25. BORROWINGS (CONTINUED)

(a) Bank borrowings

The interest on the bank borrowings are calculated based on their floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

Total borrowings include secured liabilities of $328,215,000 (2013: $87,529,000) for the Group. These borrowings are secured over certain bank deposits (Note 13) and certain investment properties (Note 21).

(b) Notes payables

In 2013, the Company has established a S$300 million Multicurrency Medium Term Note (“MTN”) programme, under which the Company may, from time to time, issue notes in series or tranches in Singapore Dollars or in other currencies, in various amounts and tenors and interest rates agreed between Company and the relevant dealer. The net proceeds arising from the issue of notes will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Group.

The Company issued the first series of notes amounting to S$100 million. The notes bear a fixed rate of 5.25% per annum payable semi-annually in arrear and have a tenor of 3 years.

In 2014, the Company has updated its S$300 million MTN programme established on 6 September 2013 and increased the maximum aggregate principal amount of notes that may be issued under the MTN from S$300 million to S$500 million with effect from 29 October 2014.

(c) Finance lease liabilities

The finance lease liabilities are secured on certain property, plant and equipment purchased under finance leases of the Group (Note 22(a)). The Group’s weighted average effective interest rate of finance lease liabilities at the balance sheet date is nil% (2013: 4.13%) per annum.

(d) Fair value of non-current borrowings

	Group		Company	
	2014	2013	**2014**	2013
	$’000	$’000	**$’000**	$’000
Notes payables	**106,070**	100,300	**106,070**	100,300

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

26. FINANCE LEASE LIABILITIES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Minimum lease payments due:				
– not later than one year	**–**	8	**–**	–
Less: Future finance charges	**–**	(1)	**–**	–
Present value of finance lease liabilities	**–**	7	**–**	–
The present value of finance lease liabilities are analysed as follows:				
– not later than one year (Note 25)	**–**	7	**–**	–

27. OTHER LIABILITIES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Provision for long service leave (Note (a))	**37**	281	**–**	–
Provision for post-employment benefits (Note(b))	**239**	365	**–**	–
Others	**–**	225	**–**	–
	276	871	**–**	–

(a) The movement in provision for long service leave during the financial year is as follows:

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**281**	310
Currency translation differences	**5**	(39)
Provision made	**11**	33
Paid during the financial year	**(260)**	(23)
End of financial year	**37**	281

27. OTHER LIABILITIES (CONTINUED)

(b) The movement in provision for post-employment benefits which is an unfunded defined post-employment benefit plan during the financial year is as follows:

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**365**	365
Currency translation differences	**9**	(79)
Provision (reversed)/made	**(75)**	92
Paid during the financial year	**(60)**	(13)
End of financial year	**239**	365

The amounts recognised in profit or loss are as follows:

	Group	
	2014	2013
	$'000	$'000
Current service cost	**27**	53
Interest cost	**21**	33
(Loss)/gain on actuarial recognition	**(124)**	7
Immediate recognition of Past-Service-Vested benefits	**1**	(1)
	(75)	92

The principal actuarial assumptions used are as follows:

	Group	
	2014	2013
Retirement age	**55 years**	55 years
Future salary increases per annum	**8%**	8%
Discount rate per annum	**8.55%**	9%

(c) Carrying amounts and fair values

At the balance sheet date, the carrying amounts of the non-current other liabilities approximated their fair values.

28. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities:				
– to be settled within one year	**859**	222	**6**	13
– to be settled after more than one year	**2,269**	2,882	**20**	12
	3,128	3,104	**26**	25
Deferred income tax asset:				
– to be recovered after more than one year	**(60)**	(91)	**–**	–

Movements in the deferred income tax account is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**3,013**	4,280	**25**	29
Currency translation	**(23)**	(173)	**–**	–
Charged/(credited) to profit or loss (Note 10(a))	**78**	(1,094)	**1**	(4)
End of financial year	**3,068**	3,013	**26**	25

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $8,737,000 (2013: $8,807,000) and capital allowances of $456,000 (2013: $142,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date.

28. DEFERRED INCOME TAXES (CONTINUED)

The movements in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Amortisation of intangible asset	Fair value gain-net	Others	Total
	$'000	$'000	$'000	$'000	$'000
2014					
Beginning of financial year	532	2,832	–	(129)	3,235
Currency translation differences	(26)	–	–	–	(26)
Charged/(credited) to profit or loss	76	(840)	831	(23)	44
End of financial year	**582**	**1,992**	**831**	**(152)**	**3,253**
2013					
Beginning of financial year	926	3,672	–	(78)	4,520
Currency translation differences	(204)	–	–	(4)	(208)
Credited to profit or loss	(190)	(840)	–	(47)	(1,077)
End of financial year	532	2,832	–	(129)	3,235

Deferred income tax assets

	Provisions
	$'000
2014	
Beginning of financial year	(222)
Currency translation differences	3
Credited to profit and loss	34
End of financial year	**(185)**
2013	
Beginning of financial year	(240)
Currency translation differences	35
Charged to profit and loss	(17)
End of financial year	(222)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

28. DEFERRED INCOME TAXES (CONTINUED)

<u>Company</u>

Deferred income tax liabilities

	Accelerated tax depreciation	Others	Total
	$'000	$'000	$'000
2014			
Beginning of financial year	10	15	25
Credited/(charged) to profit or loss	16	(15)	1
End of financial year	**26**	**–**	**26**
2013			
Beginning of financial year	7	22	29
Credited/(charged) to profit or loss	3	(7)	(4)
End of financial year	10	15	25

29. SHARE CAPITAL

	Company	
	No. of ordinary shares	Amount
	Issued share capital	Issued share capital
	'000	$'000
2014		
Beginning of financial year	756,061	200,742
Issuance of shares pursuant to warrants exercised	811	405
End of financial year	**756,872**	**201,147**
2013		
Balance as at 1 January 2013 and 31 December 2013	756,061	200,742

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

On 1 August 2011, the Company completed the acquisition of Westlite Dormitory (Toh Guan) Pte Ltd (then known as Centurion Dormitory (Westlite) Pte Ltd) ("Transaction"). The acquisition was accounted for as a reverse acquisition in accordance with FRS103 *Business Combinations*. Consequently, the Group's share capital amount differs from that of the Company. More information on the Transaction and the accounting can be found in the Company's published financial statements for the financial year ended 31 December 2011.

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of one warrant for every ten existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.50 for each ordinary share. Each warrant may be exercised at any time during the period of four years commencing on and including the date of issue of the warrants and expiring on the fourth anniversary of the date of issue of the warrants. The net proceeds of $405,699 in relation to the issuance of new shares pursuant to warrants exercised, have not been utilised to date.

30. OTHER RESERVES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
(a) Composition				
Fair value reserve	**152**	206	**302**	509
Currency translation reserve	**(10,484)**	(4,967)	**–**	–
Capital reserve	**17,095**	17,095	**–**	–
	6,763	12,334	**302**	509
(b) Movements				
(i) Fair value reserve				
Beginning of financial year	**206**	(65)	**509**	238
Fair value (losses)/gains on available-for-sale financial assets (Note 17)	**(207)**	271	**(207)**	271
Reclassification to profit or loss (Note 7)	**153**	–	**–**	–
End of financial year	**152**	206	**302**	509

	Group	
	2014	2013
	$'000	$'000
(ii) Currency translation reserve		
Beginning of financial year	**(4,967)**	(1,541)
Net exchange differences on translation of financial statements of foreign subsidiaries and associated companies	**(5,517)**	(3,426)
End of financial year	**(10,484)**	(4,967)
(iii) Capital reserve		
Beginning and end of financial year	**17,095**	17,095

In 2011, the consolidated financial statements of the Group represent the continuation of Westlite Dormitory (Toh Guan) Pte. Ltd. ("Westlite") accounts, which included a shareholder loan accounted for as "Other liabilities" in Westlite accounts for the year ended 31 December 2010. The novation of the loan from Westlite's former shareholder to Westlite's new shareholder (Centurion Corporation Limited) means that the loan is effectively settled in the consolidated financial statements of the Group, recognised under "capital reserve" of the Group.

Other reserves are non-distributable.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

31. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies amounting to $452,000 (2013: $403,000) which are included in the Group's retained profits.

(b) Movement in retained profits for the Company is as follows:

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**9,863**	5,100
Net profit	**15,378**	7,781
Dividends paid (Note 32)	**(8,325)**	(3,018)
End of financial year	**16,916**	9,863

32. DIVIDENDS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Ordinary dividends paid				
Interim exempt dividend paid in respect of current financial year of 0.5 cent per share	**3,784**	–	**3,784**	–
Final exempt dividend paid in respect of the previous financial year of 0.6 cent (2013: 0.4 cent) per share	**4,541**	3,018	**4,541**	3,018
	8,325	3,018	**8,325**	3,018

At the Annual General Meeting on 28 April 2015, a final dividend of 1.0 cent (2013: 0.6 cent) per share amounting to a total of $7,569,000 (2013: $4,541,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2015.

33. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in joint ventures (Note 19) and investments in associated companies (Note 18), are as follows:

	Group	
	2014	2013
	$'000	$'000
Property, plant and equipment	**136**	–
Investment properties	**137,598**	17,482

33. COMMITMENTS (CONTINUED)

(b) *Operating lease commitments – where the Group is a lessee*

The Group leases various buildings under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year	**3,124**	1,661	**1,039**	1,039
Between one and five years	**3,689**	1,946	**909**	1,946
	6,813	3,607	**1,948**	2,985

(c) *Operating lease income commitments – where the Group is a lessor*

Operating lease income commitments are mainly for the investment properties of the Group. The lease rental income terms are negotiated for an average term of 12 months.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one year	**54,933**	31,740	**648**	728
Between one and five years	**4,739**	4,736	**565**	1,354
	59,672	36,476	**1,213**	2,082

(d) *Unsecured corporate guarantees*

The Group has provided unsecured corporate guarantees in favour of financial institutions in respect of facilities granted to associated companies and a joint venture amounting to $47,386,000 (2013: $56,529,000). At 31 December 2014, the amount of the guaranteed loans drawn down by associated companies and a joint venture amounted to $46,401,000 (2013: $53,065,000).

The Company has provided unsecured corporate guarantees in favour of financial institutions in respect of facilities granted to subsidiaries, associated companies and joint venture amounting to $455,317,000 (2013: $164,194,000). At 31 December 2014, the amount of the guaranteed loans drawn down by the subsidiaries, associated companies and joint venture amounted to $367,793,000 (2013: $140,586,000).

(e) *Continuing financial support*

The Company has provided an undertaking to provide continuing financial support to certain subsidiaries, to enable the subsidiaries to meet their obligations as and when they fall due. As at 31 December 2014, the net liabilities of these subsidiaries amounted to $19,406,000 (2013: $14,249,000).

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

Financial risk management is carried out by management in accordance with the policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore, Malaysia, Indonesia and Australia. The Group also operates in Europe with operations in the United Kingdom. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

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

The Group's currency exposure based on the information provided to management is as follows:

	SGD $'000	USD $'000	MYR $'000	AUD $'000	GBP $'000	Other $'000	Total $'000
2014							
Financial assets							
Cash and cash equivalents	41,985	1,651	3,463	9,037	6,604	404	63,144
Available-for-sale financial assets	2,314	–	–	–	–	–	2,314
Inter-company balances	57,201	2,972	–	10,115	7,474	2,570	80,332
Trade and other receivables	2,054	420	1,355	627	202	939	5,597
Other financial assets	11,586	–	678	–	272	259	12,795
	115,140	5,043	5,496	19,779	14,552	4,172	164,182
Financial liabilities							
Trade and other payables	27,546	2,463	2,989	1,164	1,201	844	36,207
Inter-company balances	57,201	2,972	–	10,115	7,474	2,570	80,332
Borrowings	325,259	–	16,202	19,436	70,153	410	431,460
	410,006	5,435	19,191	30,715	78,828	3,824	547,999
Net financial (liabilities)/assets	**(294,866)**	**(392)**	**(13,695)**	**(10,936)**	**(64,276)**	**348**	
Less: Net financial assets denominated in the respective entities' functional currencies	292,488	–	13,695	13,931	70,304	(13)	
Currency risk exposures	**(2,378)**	**(392)**	**–**	**2,995**	**6,028**	**335**	

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD	USD	MYR	AUD	GBP	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2013							
Financial assets							
Cash and cash equivalents	33,959	1,809	1,224	7,165	–	217	44,374
Available-for-sale financial assets	2,521	–	–	–	–	–	2,521
Inter-company balances	135,100	462	–	4,834	–	382	140,778
Trade and other receivables	5,135	3,087	688	1,793	–	492	11,195
Other financial assets	2,696	455	380	7,067	–	360	10,958
	179,411	5,813	2,292	20,859	–	1,451	209,826
Financial liabilities							
Trade and other payables	17,957	3,412	1,554	2,353	–	1,445	26,721
Inter-company balances	135,100	462	–	4,834	–	382	140,778
Borrowings	174,469	–	11,721	–	–	–	186,190
	327,526	3,874	13,275	7,187	–	1,827	353,689
Net financial (liabilities)/assets	**(148,115)**	**1,939**	**(10,983)**	**13,672**	**–**	**(376)**	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	146,020	–	10,983	(12,486)	–	404	
Currency risk exposures	**(2,095)**	**1,939**	**–**	**1,186**	**–**	**28**	

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to management is as follows:

	2014					2013			
	SGD	**USD**	**AUD**	**GBP**	**Total**	SGD	USD	AUD	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets									
Cash and cash equivalents	19,208	8	682	1,782	21,680	19,149	121	210	19,480
Available-for-sale financial assets	2,314	–	–	–	2,314	2,521	–	–	2,521
Trade and other receivables	273,709	610	4,869	1	279,189	270,130	506	6,687	277,323
Other financial assets	402	–	–	–	402	2,336	–	–	2,336
	295,633	618	5,551	1,783	303,585	294,136	627	6,897	301,660
Financial liabilities									
Trade and other payables	(6,329)	–	–	–	(6,329)	(3,343)	–	–	(3,343)
Borrowings	(99,125)	–	–	–	(99,125)	(98,661)	–	–	(98,661)
	(105,454)	–	–	–	(105,454)	(102,004)	–	–	(102,004)
Net financial assets	**190,179**	**618**	**5,551**	**1,783**		192,132	627	6,897	
Less: Net financial assets denominated in the entity's functional currency	(190,179)	–	–	–		(192,132)	–	–	
Currency risk exposures	**–**	**618**	**5,551**	**1,783**		–	627	6,897	

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, AUD, GBP change against SGD by 3% (2013: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position would be as follows:

	Increase/(Decrease)			
	2014		2013	
	Profit after tax	**Other comprehensive income**	Profit after tax	Other comprehensive income
	$'000	**$'000**	$'000	$'000
Group				
USD against SGD				
– strengthened	**(10)**	**–**	48	–
– weakened	**10**	**–**	(48)	–
AUD against SGD				
– strengthened	**75**	**1,690**	30	209
– weakened	**(75)**	**(1,690)**	(30)	(209)
GBP against SGD				
– strengthened	**150**	**188**	–	–
– weakened	**(150)**	**(188)**	–	–

	Increase/(Decrease)			
	2014		2013	
	Profit after tax	**Other comprehensive income**	Profit after tax	Other comprehensive income
	$'000	**$'000**	$'000	$'000
Company				
USD against SGD				
– strengthened	**15**	**–**	16	–
– weakened	**(15)**	**–**	(16)	–
AUD against SGD				
– strengthened	**138**	**–**	172	–
– weakened	**(138)**	**–**	(172)	–
GBP against SGD				
– strengthened	**44**	**–**	–	–
– weakened	**(44)**	**–**	–	–

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group and classified on the consolidated balance sheet as available-for-sale. These securities are listed in Singapore.

If prices for equity securities listed in Singapore change by 3% (2013: 2%) with all other variables including tax rate being held constant, the effects on other comprehensive income will be:

	← **Increase/(Decrease)**	→
	2014	2013
	Other comprehensive income	Other comprehensive income
	$'000	$'000
Group/Company		
Listed in Singapore		
– increased by	**60**	40
– decreased by	**(60)**	(40)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income is substantially independent of changes in market interest rates.

The Company has no significant exposure to cash flow interest rate risks. The Group's exposure to cash flow interest rate risks arise mainly from non-current variable rate borrowings.

If the interest rates have increased/decreased by 0.6% (2013: 0.65%) with all other variables including tax rate being held constant, the loss after tax would have been lower/higher by $1,635,000 (2013: $472,000).

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limit that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. The Group and Company have no major concentration of credit risk. The Company has no material third party debtors. The top five debtors of the Group represented 35% (2013: 21%) of trade receivables in 2014.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Corporate guarantees provided to banks on subsidiaries', associated companies' and joint venture's loans	**46,401**	53,065	**367,793**	140,586

The Group's major classes of financial assets are bank and other deposits and trade and other receivables. The Company's major classes of financial assets are bank deposits, trade and other receivables and loans to subsidiaries and associates.

The Group's credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2014	2013
	$'000	$'000
By geographical areas		
Singapore	**1,827**	3,771
Malaysia	**941**	670
Australia	**142**	1,590
United Kingdom	**125**	–
Others	**851**	1,171
	3,886	7,202

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables from third parties and related corporations that are neither past due nor impaired are substantially companies with a good collection track record with the Group and Company.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) *Credit risk (continued)*

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired are as follows:

	Group	
	2014	2013
	$'000	$'000
Past due < 3 months	**1,912**	1,756
Past due 3 to 6 months	**207**	720
	2,119	2,476

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2014	2013
	$'000	$'000
Gross amount	**1,180**	999
Less: Allowance for impairment	**(1,180)**	(999)
	–	–
Beginning of financial year	**999**	1,040
Currency translation difference	**47**	(96)
Allowance made	**204**	195
Allowance utilised	**(424)**	(140)
Acquisition of subsidiaries	**354**	–
End of financial year	**1,180**	999

The impaired trade receivables arise mainly from sales to customers who have financial difficulties and significant delays in payments.

(c) *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 13.

Management monitors rolling forecasts of the liquidity reserve (comprise cash and cash equivalents (Note 13)) of the Group and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
2014				
Trade and other payables	36,170	–	–	37
Borrowings	36,338	141,399	124,097	186,605
Financial guarantee contracts (Note 33(d))	46,401	–	–	–
	118,909	**141,399**	**124,097**	**186,642**
2013				
Trade and other payables	25,850	–	–	871
Borrowings	21,362	25,994	129,222	30,899
Financial guarantee contracts (Note 33(d))	53,065	–	–	–
	100,277	25,994	129,222	31,770

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Company			
2014			
Trade and other payables	**6,329**	**–**	**–**
Borrowings	**5,250**	**103,938**	**–**
Financial guarantee contracts (Note 33(d))	**367,793**	**–**	**–**
Continuing financial support (Note 33(e))	**19,406**	**–**	**–**
	398,778	**103,938**	**–**
2013			
Trade and other payables	3,343	–	–
Borrowings	3,938	5,250	105,250
Financial guarantee contracts (Note 33(d))	140,586	–	–
Continuing financial support (Note 33(e))	14,249	–	–
	162,116	5,250	105,250

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as borrowings divided by total capital. Total capital is calculated as borrowing plus net assets of the Group.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

The gearing ratios are computed as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Borrowings (Note 25)	**431,460**	186,190	**99,125**	98,661
Total net assets	**391,560**	292,921	**218,365**	211,114
Total capital	**823,020**	479,111	**317,490**	309,775
Gearing ratio	**52%**	39%	**31%**	32%

The Group and the Company is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2013 and 2014.

(e) Fair value measurements

	Level 1
	$'000
As at 31 December 2014	
Available-for-sale financial assets	**2,314**
As at 31 December 2013	
Available-for-sale financial assets	2,521

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

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

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 17 to the financial statements, except for the following:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Loans and receivables	**81,536**	66,527	**301,271**	299,139
Financial liabilities at amortised cost	**467,667**	212,911	**105,454**	102,004

35. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	Group	
	2014	2013
	$'000	$'000
Sales to associated companies	**6**	2
Sales to a company with a director has an interest	**7**	–
Services provided to a joint venture	**647**	–
Purchases from associated companies	**–**	109
Purchases from a company which a director has an interest	**13**	55

Outstanding balances at 31 December 2014 and 31 December 2013 arising from sales and purchases of goods are set out in Notes 14 and 24.

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2014	2013
	$'000	$'000
Wages and salaries	**3,533**	2,319
Employer's contribution to defined contribution plans, including Central Provident Fund	**82**	81
	3,615	2,400

Included in above, total compensation to directors of the Company amounted to $1,890,000 (2013: $1,299,000).

The following information relates to remuneration of directors of the Company during the financial year:

	Group	
	2014	2013
Number of directors of the Company in remuneration bands:		
Above $499,999	**2**	–
$250,000 to $499,999	**1**	3
Below $250,000	**3**	3
	6	6

36. SEGMENT INFORMATION

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2014

36. SEGMENT INFORMATION (CONTINUED)

The Senior Management manages and monitors the business in three business segments which is the manufacture and sale of optical discs and related data storage products ("Optical"), provision of dormitory accommodation and services for workers ("Workers accommodation") and provision of accommodation and services for students ("Student accommodation").

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2014 is as follows:

	Optical $'000	Workers accommodation $'000	Student accommodation $'000	Total for continuing operations $'000
Year ended 31 December 2014:				
Sales:				
Total segment sales	8,538	61,909	14,551	84,998
Inter-segment sales	(555)	–	–	(555)
Sales to external parties	7,983	61,909	14,551	84,443
Segment results	455	32,691	7,362	40,508
Finance expense	(4)	(5,975)	(2,910)	(8,889)
Interest income				352
Dividend income				111
Fair value gain on investment properties	–	43,276	(2,968)	40,308
Share of profit of associated companies/ joint ventures	48	45,284	–	45,332
Profit before tax				117,722
Income tax expense				(6,503)
Net profit				**111,219**
Segment assets	17,939	488,576	244,822*	751,337
Short-term bank deposits				34,227
Available-for-sale financial assets				2,314
Tax recoverable				307
Deferred income tax assets				60
Investments in associated companies				1,371
Investments in joint ventures				84,417
Consolidated total assets				**874,033**
Segment liabilities	5,438	27,928	6,682	40,048
Borrowings	409	262,217	168,834	431,460
Current income tax liabilities				7,064
Deferred income tax liabilities				3,128
Consolidated total liabilities				**481,700**
Other segment items:				
Capital expenditure	9	39,659	234,973	274,641
Depreciation	433	1,403	92	1,928
Amortisation	–	4,939	–	4,939

* Cash at bank held by Summit Technology Australia Pty Ltd and its subsidiary, Summit Printing (Australia) Pty Ltd is included within the segment assets as the amount has been earmarked for capital expenditure purpose for the student accommodation segment.

36. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2013 is as follows:

	Optical	Workers accommodation	Total for continuing operations
	$'000	$'000	$'000
Year ended 31 December 2013:			
Sales:			
Total segment sales	10,912	47,275	58,187
Inter–segment sales	(1,134)	–	(1,134)
Sales to external parties	9,778	47,275	57,053
Segment results	(1,439)	23,167	21,728
Finance expense	10	(2,526)	(2,516)
Interest income			156
Dividend income			188
Fair value gain on investment properties	–	43,122	43,122
Impairment of property, plant and equipment	(3,074)	–	(3,074)
Goodwill written off	(64)	–	(64)
Share of profit of associated companies/joint ventures	42	37,131	37,173
Profit before income tax			96,713
Income tax expense			(3,555)
Net profit			**93,158**
Segment assets	14,814	404,557	419,371
Short–term bank deposits			28,675
Available-for-sale financial assets			2,521
Tax recoverable			110
Deferred income tax assets			91
Investments in associated companies			1,348
Investments in joint ventures			52,569
Consolidated total assets			**504,685**
Segment liabilities	5,643	17,996	23,639
Borrowings	–	186,190	186,190
Current income tax liabilities			6,908
Deferred income tax liabilities			3,104
Consolidated total liabilities			**219,841**
Other segment items:			
Capital expenditure	24	113,986	114,010
Depreciation	1,356	1,046	2,402
Amortisation	–	4,939	4,939

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

36. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the manufacture and sale of optical discs and provision of dormitory accommodation;
- Australia – the operations in this area are principally the provision of student accommodation and property investments. The operations in the manufacture and sale of optical discs were discontinued in the financial year (Note 11);
- Malaysia – the operations in this area are principally the provision of dormitory accommodation;
- United Kingdom – the operations in this area are principally the provision of student accommodation;
- Other countries – the operations include manufacture and sale of optical disc and property investments.

	Sales for continuing operations	
	2014	**2013**
	$'000	**$'000**
Singapore	**61,250**	50,172
Australia	**8,108**	–
Malaysia	**5,749**	3,125
United Kingdom	**6,443**	–
Other countries	**2,893**	3,756
	84,443	57,053

	Non-current assets	
	2014	**2013**
	$'000	**$'000**
Singapore	**487,826**	404,866
Australia	**74,375**	3,365
Malaysia	**62,386**	37,559
United Kingdom	**160,181**	–
Other countries	**6,819**	2,408
	791,587	448,198

37. IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The Company's immediate holding corporation is Centurion Properties Pte Ltd, incorporated in Singapore. The ultimate holding corporation is Centurion Global Ltd, incorporated in the British Virgin Islands.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2015 or later periods and which the Group has not early adopted:

- FRS 103 *Business Combinations* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in *FRS 32 Financial instruments:* Presentation. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

  The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself. The Group will apply this amendment for business combinations taking place on/after 1 January 2015.

- FRS 40 *Investment Property* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that FRS 40 and FRS 103 are not mutually exclusive. The guidance in FRS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in FRS 103 to determine whether the acquisition of an investment property is a business combination.

  The Group will apply this amendment for acquisition of investment property taking place on/after 1 January 2015.

- FRS 108 *Operating Segments* (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

  This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2017)

  FRS 115 was issued in November 2014 and supersedes FRS 18 *Revenue*, FRS 11 *Construction contracts* and other revenue related interpretations. It applies to all contracts with customers, except for leases, financial instruments and insurance contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements.

  The Group is assessing the impact of the adoption of FRS 115.

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018.)

  FRS 109 was issued in December 2014 and includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments.

  The Group is assessing the impact of the adoption of FRS 109.

39. ACQUISITIONS OF STUDENT ACCOMMODATIONS

Student accommodation in Australia

On 13 December 2013, the Group entered into a Contract of Sale Property with Siruya Pty Ltd (in its capacity as trustee for the GPO Melbourne Trust) and Transfield (OMH) Pty Ltd (together known as, the “Vendor”) for the following acquisitions:

(i) the student accommodation facility (the “Property”) located at 5-17 Flemington Road, North Melbourne; and

(ii) its adjoining car park building (the “Car Park Building”).

The transaction was completed on 10 February 2014.

39. ACQUISITIONS OF STUDENT ACCOMMODATIONS (CONTINUED)

Student accommodation in Australia (continued)

The acquisition is in line with the Group's business strategy to expand its scope of business to include student accommodation business and enable the Group to embark on new business opportunities in the new markets. The acquisition will further expand the Group's regional presence and foray into the Australia market.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	$'000
(a) Purchase consideration	
Cash paid	68,292
Total purchase consideration	**68,292**
(b) Effect on cash flows of the Group	
Cash paid (as above)	68,292
Cash outflow on acquisition	**68,292**

	At fair value $'000
(c) Identifiable assets acquired and liabilities assumed	
Investment properties	68,292
Total identifiable net assets	**68,292**

(d) Acquisition-related costs

Acquisition-related costs of $186,000 were incurred in connection with the above acquisition.

(e) Revenue and profit contribution

The acquired student accommodation in Australia contributed revenue of $8,108,000 and net profit of $2,562,000 which includes fair value loss of $179,000 to the Group from the period from 10 February 2014 to 31 December 2014.

Had the student accommodation in Australia been acquired from 1 January 2014, consolidated revenue and consolidated profit for the year ended 31 December 2014 would have been $84,643,000 and $111,419,000 respectively.

NOTES TO THE **FINANCIAL STATEMENTS**
For the financial year ended 31 December 2014

39. ACQUISITIONS OF STUDENT ACCOMMODATIONS (CONTINUED)

Student accommodation in the United Kingdom

On 15 July 2014, the Group entered into sale and purchase agreements with various parties for the following acquisitions:

(i) Manchester Student Village ("MSV"), a freehold property located at Lower Chatham Street, Manchester, M1 5SX, United Kingdom;

(ii) Manchester Student Village South ("MSVS"), a freehold property located at 357A Great Western Street, Manchester, M14 4AH, UK;

(iii) The Grafton ("Grafton"), a freehold property located at 60 Grafton Street, Manchester, M13 9NU, UK; and

(iv) Cathedral Campus ("CC"), a long leasehold interest property located at 1 Dean Patey Court, Cathedral Gate, Off Upper Duke Street, Liverpool, L1 7BT, United Kingdom.

The transaction was completed on 2 September 2014.

The acquisition is in line with the Group's business strategy to expand its student accommodation business and to embark on opportunities in new markets. The acquisition will enable the Group to expand its presence into a key education and growing student market in Europe.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	$'000
(a) Purchase consideration	
Cash paid	161,238
Total purchase consideration	**161,238**
(b) Effect on cash flows of the Group	
Cash paid (as above)	161,238
Cash outflow on acquisition	**161,238**

	At fair value $'000
(c) Identifiable assets acquired and liabilities assumed	
Investment properties	161,238
Total identifiable net assets	**161,238**

39. ACQUISITIONS OF STUDENT ACCOMMODATIONS (CONTINUED)

Student accommodation in the United Kingdom (continued)

(d) Acquisition-related costs

Acquisition-related costs of $2,861,000 were incurred in connection with the above acquisition.

(e) Revenue and profit contribution

The acquired student accommodation in the United Kingdom contributed revenue of $6,443,000 and net loss of $1,244,000 which includes fair value loss of $2,789,000 to the Group from the period from 2 September 2014 to 31 December 2014.

Had the student accommodation in the United Kingdom been acquired from 1 January 2014, consolidated revenue and consolidated profit for the year ended 31 December 2014 would have been $96,107,000 and $115,747,000 respectively.

40. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Centurion Corporation Limited on 30 March 2015.

STATISTICS OF **SHAREHOLDINGS**

As at 18 March 2015

No. of shares issued (excluding Treasury Shares)	:	756,873,338
Issued and fully paid up capital (excluding Treasury Shares)	:	$156,569,511.68
Class of shares	:	Ordinary shares
Voting rights (excluding Treasury Shares)	:	One vote per share

TREASURY SHARES

The Company does not hold any Treasury Shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding			Number of Shareholders	%	Number of Shares	%
1	–	99	69	1.37	3,590	0.00
100	–	1,000	804	15.94	336,681	0.04
1,001	–	10,000	2,651	52.55	12,764,880	1.69
10,001	–	1,000,000	1,493	29.60	79,726,107	10.53
1,000,001	and above		27	0.54	664,042,080	87.74
			5,044	100.00	756,873,338	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1	DB Nominees (S) Pte Ltd	285,763,500	37.76
2	UOB Kay Hian Pte Ltd	113,596,812	15.01
3	DBS Nominees Pte Ltd	93,768,267	12.39
4	United Overseas Bank Nominees Pte Ltd	32,723,274	4.32
5	Centurion Properties Pte Ltd	23,869,206	3.15
6	Citibank Nominees Singapore Pte Ltd	21,790,575	2.88
7	Lian Beng Group Ltd	19,000,000	2.51
8	Bank of Singapore Nominees Pte Ltd	12,626,375	1.67
9	HSBC (Singapore) Nominees Pte Ltd	10,088,900	1.33
10	Lee Kerk Chong	8,466,271	1.12
11	Maybank Kim Eng Securities Pte Ltd	6,444,125	0.85
12	OCBC Securities Private Ltd	6,077,588	0.80
13	Raffles Nominees (Pte) Ltd	5,682,672	0.75
14	OCBC Nominees Singapore Pte Ltd	3,508,482	0.47
15	Yuan Xiaomin	2,792,000	0.37
16	Lee Joh Ern	2,118,750	0.28
17	DBS Vickers Securities (S) Pte Ltd	2,077,324	0.27
18	Phillip Securities Pte Ltd	1,975,161	0.26
19	ABN Amro Nominees Singapore Pte Ltd	1,800,000	0.24
20	Tan Boon Keng Kennedy	1,800,000	0.24
	Total	655,969,282	86.67

SHAREHOLDING OF THE SUBSTANTIAL SHAREHOLDERS

	Direct Interest	%[1]	Deemed Interest	%[1]	Total Interest	%[1]
Centurion Properties Pte Ltd[2]	353,869,206	46.75	45,000,000	5.95	398,869,206	52.70
Centurion Global Ltd[3]	–	–	398,869,206	52.70	398,869,206	52.70
Loh Kim Kang David[4]	9,713,500	1.28	398,869,206	52.70	408,582,706	53.98
Han Seng Juan[5]	3,072,000	0.41	406,094,206	53.65	409,166,206	54.06
Thinkpac Limited[6]	45,000,000	5.95	–	–	45,000,000	5.95
Teo Peng Kwang[7]	56,357,664	7.45	–	–	56,357,664	7.45
Lian Beng Group Ltd[8]	19,000,000	2.51	19,000,000	2.51	38,000,000	5.02
Ong Sek Chong & Sons Pte Ltd[9]	–	–	38,000,000	5.02	38,000,000	5.02

Notes:

(1) Based on 756,873,338 issued Shares as at the Latest Practicable Date.

(2) 55,000,000 Shares of Centurion Properties Pte Ltd are registered under the name of UOB Kay Hian Private Limited, and 275,000,000 Shares are registered under the name of Deutsche Bank AG.

(3) Centurion Global Ltd is deemed interested in 353,869,206 Shares held by Centurion Properties Pte Ltd and 45,000,000 Shares held by Thinkpac Limited.

(4) Loh Kim Kang, David has a deemed interest in 45,000,000 Shares held by Thinkpac Limited through Centurion Properties Pte Ltd and a deemed interest in 353,869,206 Shares held by Centurion Properties Pte Ltd by virtue of his shareholding interests in Centurion Properties Pte Ltd. 9,250,000 Shares of Loh Kim Kang, David are registered under CIMB Securities (Singapore) Pte. Ltd.

(5) Han Seng Juan has a deemed interest in 45,000,000 Shares held by Thinkpac Limited through Centurion Properties Pte Ltd, a deemed interest in 353,869,206 Shares held by Centurion Properties Pte Ltd by virtue of his shareholding interests in Centurion Properties Pte Ltd, and a deemed interest in 7,225,000 Shares held by his spouse, Kang Lee Cheng Susanna. 3,072,000 Shares of Han Seng Juan are registered under Citibank Nominee Singapore Pte Ltd.

(6) Thinkpac Limited is a wholly-owned subsidiary of Centurion Properties Pte Ltd. 45,000,000 Shares of Thinkpac Limited are registered under the name of UOB Kay Hian Private Limited.

(7) 56,045,164 Shares of Teo Peng Kwang are registered under the name of DBS Nominees Pte Ltd, 87,500 Shares of Teo Peng Kwang are registered under the name of United Overseas Bank Nominees Pte Ltd and 225,000 Shares of Teo Peng Kwang are registered under the name of DBS Vickers Securities (S) Pte Ltd.

(8) 19,000,000 Shares under Lian Beng Group Ltd are registered under the name of DBS Nominees Pte Ltd.

(9) Ong Sek Chong & Sons Pte Ltd is a controlling shareholder holding 26.46% shareholding interest in Lian Beng Group Ltd and is, therefore, deemed interested in the 38,000,000 Shares held by Lian Beng Group Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

30.411% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

STATISTICS OF **WARRANTHOLDINGS**
As at 18 March 2015

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholding			Number of Warrantholders	%	Number of Warrants	%
1	–	99	823	21.66	29,805	0.04
100	–	1,000	2,236	58.84	914,394	1.22
1,001	–	10,000	648	17.05	1,775,369	2.38
10,001	–	1,000,000	85	2.24	7,481,246	10.00
1,000,001	and above		8	0.21	64,591,920	86.36
			3,800	100.00	74,792,734	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Number of Warrants	%
1	Centurion Properties Pte Ltd	29,386,920	39.29
2	UOB Kay Hian Pte Ltd	19,558,455	26.15
3	DBS Nominees Pte Ltd	7,863,347	10.51
4	United Overseas Bank Nominees Pte Ltd	2,585,422	3.46
5	DB Nominees (S) Pte Ltd	1,660,400	2.22
6	Citibank Nominees Singapore Pte Ltd	1,444,399	1.93
7	Lee Kerk Chong	1,046,627	1.40
8	Loh Kim Kang David	1,046,350	1.40
9	Bank of Singapore Nominees Pte Ltd	834,137	1.12
10	OCBC Securities Private Ltd	668,457	0.90
11	Maybank Kim Eng Securities Pte Ltd	655,008	0.88
12	Raffles Nominees (Pte) Ltd	600,050	0.80
13	Tan Cheow Lai	500,000	0.67
14	Yuan Xiaomin	335,400	0.45
15	OCBC Nominees Singapore Pte Ltd	291,957	0.39
16	Lim Yam Chaw	270,000	0.36
17	Lee Joh Ern	226,875	0.30
18	Chua Buan Ling Alicia	194,800	0.26
19	Tan Boon Keng Kennedy	159,200	0.21
20	Lim Ah Mee Terry	158,500	0.21
	Total	69,486,304	92.91

NOTICE OF **ANNUAL GENERAL MEETING**

CENTURION CORPORATION LIMITED
(Incorporated in Singapore)
(Co. Reg. No: 198401088W)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CENTURION CORPORATION LIMITED (the "Company") will be held at The Conference Room, 45 Ubi Road 1, #05-01, Singapore 408696 on 28 April 2015 (Tuesday) at 10.00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the year ended 31 December 2014 (2013: Dividend of 0.6 Singapore cent per ordinary share). **(Resolution 2)**

3. To re-elect Mr Chandra Mohan s/o Rethnam retiring by rotation pursuant to Article 89 of the Company's Articles of Association.
[See Explanatory Note (i)] **(Resolution 3)**

4. To note the retirement of Mr Lee Kerk Chong pursuant to Bye-law 89 of the Company's Bye-laws:
[See Explanatory Note (ii)]

5. To approve the payment of Directors' fees of S$257,000 for the year ended 31 December 2014 (2013: S$250,000). **(Resolution 4)**

6. To re-appoint PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Share Issue Mandate**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company (the "Share Issue Mandate") to:

(A) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares; and/or

(iii) notwithstanding that such authority conferred by this Resolution may have ceased to be in force at the time the Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF **ANNUAL GENERAL MEETING**

CENTURION CORPORATION LIMITED
(Incorporated in Singapore)
(Co. Reg. No: 198401088W)

AS SPECIAL BUSINESS (CONTINUED)

8. **Share Issue Mandate (Continued)**

(B) issue Shares in pursuance of any Instrument made or granted by the Directors pursuant to (A)(ii) and/or (A)(iii) above, notwithstanding that such authority may have ceased to be in force at the time the Shares are to be issued,

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (ii) below, of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be based on the Company's total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in exercising such authority, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting by ordinary resolution, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be

(v) prescribed by the Companies Act, Chapter 50, and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest.
[See Explanatory Note (iii)] **(Resolution 6)**

AS SPECIAL BUSINESS (CONTINUED)

9. **Renewal of Share Purchase Mandate**

That:

(a) for the purposes of the Companies Act. Cap. 50 ("Companies Act"), the exercise by the Directors of the Company to make purchases or otherwise acquire issued shares in the capital of the Company from time to time of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of this Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price (as defined in the Summary Sheet to this Notice of Annual General Meeting (the "Summary Sheet")), whether by way of:

(i) market purchases on the SGX-ST; and/or

(ii) off-market purchases in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all conditions prescribed by the Companies Act,

and in accordance with all other laws and regulations, including but not limited to, provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally;

(b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to this mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:-

(i) the conclusion of the next Annual General Meeting of the Company; or

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the time when this mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; or

(iv) the date on which the purchases or acquisitions of shares by the Company have been carried out to the full extent mandated, and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or any of them may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.
[See Explanatory Note (iv)] **(Resolution 7)**

By Order of the Board

Hazel Chia Luang Chew
Company Secretary

Singapore,10 April 2015

NOTICE OF ANNUAL GENERAL MEETING

CENTURION CORPORATION LIMITED
(Incorporated in Singapore)
(Co. Reg. No: 198401088W)

Explanatory Notes:

(i) Ordinary Resolution 3, if passed, will re-appoint Mr Chandra Mohan s/o Rethnam as a Director of the Company. Mr Chandra Mohan s/o Rethnam will upon, the re-appointment, remain as Chairman of the Remuneration Committee and a member of the each of the Audit and Nominating Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(ii) Item (4) above, is to note the retirement of Mr Lee Kerk Chong, who does not wish to seek re-election at the Annual General Meeting. He will cease to be a member of the Nominating Committee upon his retirement from office.

(iii) Ordinary Resolution 6, if passed, will empower the Directors of the Company to, from the date of the above Annual General Meeting of the Company until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Companies Act, Chapter 50, and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest, allot and issue Shares, to make or grant Instruments, and to issue Shares in pursuance of such Instruments for such purposes as they consider in the interests of the Company.

The aggregate number of Shares that the Directors may allot and issue under this Resolution (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares to be issued other than on a pro rata basis shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares) (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution), to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

(1) new Shares arising from the conversion or exercise of any convertible securities;

(2) new Shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(3) any subsequent bonus issue, consolidation or sub-division of Shares.

(iv) Ordinary Resolution 7, if passed, will empower the Directors from the date of the above Meeting until the next Annual General Meeting to repurchase ordinary issued shares of the Company by way of market purchases or off-market purchases of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price in accordance with the terms and conditions set out in the Summary Sheet, the Companies Act, Chapter 50 and the Listing Manual of the SGX-ST. Please refer to the Summary Sheet for details.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 45 Ubi Road 1, #05-01 Singapore 408696, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY **FORM**

(Please see notes overleaf before completing this Form)

CENTURION CORPORATION LIMITED

(Incorporated in Singapore)
(Co. Reg. No: 198401088W)

IMPORTANT:

1. For investors who have used their CPF monies to buy Centurion Corporation Limited's shares, this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

*I/We, ____

of ____

being a member/members of CENTURION CORPORATION LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 28 April 2015 (Tuesday) at 10.00 am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Financial Statements for the year ended 31 December 2014		
2	Payment of proposed first and final dividend		
3	Re-election of Chandra Mohan s/o Rethnam as a Director		
4	Approval of Directors' fees		
5	Re-appointment of PricewaterhouseCoopers LLP as Auditors		
6	Share Issue Mandate		
7	Renewal of Share Purchase Mandate		

*Delete where inapplicable

Dated this ________ day of ______________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)/
and, Common Seal of Corporate Shareholder

Second fold along this line

Affix
Postage
Stamp

CENTURION CORPORATION LIMITED
Co. Reg. No: 198401088W
45 Ubi Road 1, #05-01,
Singapore 408696

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 45 Ubi Road 1, #05-01, Singapore 408696 not less than forty-eight (48) hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member(s) accept(s) and agree(s) to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2015.

Glue here. Do not staple.

Centurion Corporation Limited
Co. Reg. No. 198401088W

45 Ubi Road 1, #05-01, Singapore 408696
Tel: (65) 6745 3288 Fax: (65) 6743 5818
Email: enquiry@centurioncorp.com.sg Website: www.centurioncorp.com.sg