IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

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Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("**U.S.**") nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

The attached document has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of Centurion Corporation Limited or DBS Bank Ltd., or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the notes described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Centurion Corporation Limited or DBS Bank Ltd. to subscribe for or purchase any of the notes described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Centurion Corporation Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the notes described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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CENTURION CORPORATION LIMITED

(Incorporated in the Republic of Singapore on 31 March 1984)
(UEN/Company Registration No. 198401088W)

S$500,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Centurion Corporation Limited (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes.

Arranger

DBS

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NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Notes. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Notes, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the directors of the Issuer, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Notes would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the issue date with either CDP (as defined herein) or a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$500,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the Programme Agreement (as defined below).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the Programme and the issue, offer or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme and the issue of the Notes may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or unaudited financial information of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes and distribution of this Information Memorandum set out under "Subscription, Purchase and Distribution" on pages 99 to 100 of this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (as defined herein) (including statements as to the Issuer's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The Agency Agreement dated 6 September 2013 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, and (4) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Agent Bank**"	:	DBS Bank Ltd.
"**Arranger**"	:	DBS Bank Ltd.
"**Business Day**"	:	In respect of each Note, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons apper taining to an interest bearing Definitive Note.

"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Note**"	:	A definitive Note, in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**Euro**"	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**FY**"	:	Financial year ended 31 December.
"**Global Note**"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"**Group**"	:	The Issuer and its subsidiaries.
"**Issuer**"	:	Centurion Corporation Limited.
"**Issuing and Paying Agent**"	:	DBS Bank Ltd.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**km**"	:	Kilometres.
"**Latest Practicable Date**" or "**LPD**"	:	24 October 2014.
"**MAS**"	:	The Monetary Authority of Singapore.
"**MYR**"	:	Malaysian Ringgit.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Notes and the Definitive Notes).
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.
"**Pricing Supplement**"	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 to the Programme Agreement.

"**Programme**"	:	The S$500,000,000 Multicurrency Medium Term Note Programme established by the Issuer pursuant to the Programme Agreement.
"**Programme Agreement**"	:	The Programme Agreement dated 6 September 2013 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) DBS Bank Ltd., as dealer, as amended, varied or supplemented from time to time.
"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended.
"**Series**"	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore).
"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The Trust Deed dated 6 September 2013 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as supplemented by a supplemental trust deed dated 29 October 2014 made between the same parties and as further amended, varied or supplemented from time to time.
"**Trustee**"	:	DBS Trustee Limited.
"**United States**" or "**U.S.**"	:	United States of America.
"**A$**"	:	Australian dollars.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**US$**" or "**US dollars**"	:	United States dollars.

"£"	:	Pound Sterling, the lawful currency of the United Kingdom.
"%"	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Mr Wong Kok Hoe Mr Kong Chee Min Mr Lee Kerk Chong Mr Tony Bin Hee Din Mr Gn Hiang Meng Mr Chandra Mohan s/o Rethnam
Company Secretaries	:	Ms Juliana Tan Beng Hwee Ms Tan San-Ju
Registered Office	:	45 Ubi Road 1 #05-01 Singapore 408696
Independent Auditors to the Issuer	:	PricewaterhouseCoopers LLP 8 Cross Street #17-00 PWC Building Singapore 048424
Arranger and Dealer of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger and the Trustee, Issuing and Paying Agent and Agent Bank	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Issuing and Paying Agent and Agent Bank	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Trustee for the Noteholders	:	DBS Trustee Limited 12 Marina Boulevard Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Centurion Corporation Limited.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DBS Trustee Limited.
Issuing and Paying Agent	:	DBS Bank Ltd.
Description	:	S$500,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$500,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the Programme Agreement (as defined below).
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Purpose	:	Net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Issuer or its subsidiaries or such purposes as may be specified in the relevant Pricing Supplement.
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.

Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.

Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream Luxembourg.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/ or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption upon Cessation or Suspension of Trading of Shares at the option of Noteholders	:	In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its redemption amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 30 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of 10 days.
Redemption for Taxation Reasons	:	If so provided in the Conditions, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(i) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in

respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

Negative Pledge : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of its assets or revenues, present or future, save for:

(i) liens or rights of set-off arising by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;

(ii) any security over any of its assets provided that the aggregate amount secured by the security over such asset shall not exceed 85 per cent. of the current market value of such asset at the time of the creation of the security (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee);

(iii) any security over any of its uncompleted assets provided that the aggregate amount secured by the security over such uncompleted asset (at the time of the creation of the security) shall not exceed the higher of (1) 85 per cent. of the value of such uncompleted asset (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee); or (2) the cost of acquiring, developing, redeveloping, renovating and/or refurbishing such uncompleted asset;

(iv) pledges of goods and/or related documents of title, arising in the ordinary course of business, as security for bank financings/borrowings directly related to the purchase of the goods;

(v) any security created by way of fixed and/or floating charge on or over any of its assets or revenues (present or future) for the purposes of securing working capital facilities granted in the ordinary course of business; and

(vi) any other security created with the prior consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution.

Financial Covenants	:	The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that: (i) the Consolidated Total Equity shall not at any time be less than S$200,000,000; and (ii) the ratio of Consolidated Net Borrowings to Consolidated Total Equity shall not at any time be more than 2.5:1.
Non-disposal Covenant	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.29 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on the Issuer. The following disposals shall not be taken into account under Clause 15.29 of the Trust Deed: (i) disposals in the ordinary course of business on arm's length basis and on normal commercial terms; (ii) any disposal of assets which are obsolete, excess or no longer required for the purpose of its business on an arm's length basis and on normal commercial terms; (iii) any payment of cash consideration for the acquisition of any asset on commercial terms and on an arm's length basis; (iv) any exchange of assets on an arm's length basis and on normal commercial terms for other assets which are comparable or superior as to value and quality; (v) any transfer of assets to any real estate investment trust or business trust, property fund or any other entity in which any member of the Group would at all times own beneficially (whether directly and/or indirectly) in aggregate at least 25 per cent. of the interest, units in or, as the case may be, shares in the issued share capital of such real estate investment trust or business trust, property fund or entity, provided that such transfers are conducted on an arm's length basis and on normal commercial terms; and (vi) any disposal approved by the Trustee or by the Noteholders by way of an Extraordinary Resolution.
Events of Default	:	See Condition 9 of the Notes.

Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed dated 6 September 2013 made between (1) Centurion Corporation Limited (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed (as defined below)), as trustee for the Noteholders (as defined below) (as amended and supplemented by a supplemental trust deed dated 29 October 2014 made between the same parties and as further amended and supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 6 September 2013, relating to the Notes executed by the Issuer (as amended and supplemented by a supplemental deed of covenant dated 29 October 2014 and as further amended and supplemented from time to time, the "**Deed of Covenant**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented from time to time, the "**Agency Agreement**") dated 6 September 2013 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (3) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or

Coupon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3. Negative Pledge and Other Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of its assets or revenues, present or future, save for:

(i) liens or rights of set-off arising by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;

(ii) any security over any of its assets provided that the aggregate amount secured by the security over such asset shall not exceed 85 per cent. of the current market value of such asset at the time of the creation of the security (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee);

(iii) any security over any of its uncompleted assets provided that the aggregate amount secured by the security over such uncompleted asset (at the time of the creation of the security) shall not exceed the higher of (1) 85 per cent. of the value of such uncompleted asset (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee); or (2) the cost of acquiring, developing, redeveloping, renovating and/or refurbishing such uncompleted asset;

(iv) pledges of goods and/or related documents of title, arising in the ordinary course of business, as security for bank financings/borrowings directly related to the purchase of the goods;

(v) any security created by way of fixed and/or floating charge on or over any of its assets or revenues (present or future) for the purposes of securing working capital facilities granted in the ordinary course of business; and

(vi) any other security created with the prior consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Total Equity shall not at any time be less than S$200,000,000; and

(ii) the ratio of Consolidated Net Borrowings to Consolidated Total Equity shall not at any time be more than 2.5:1.

For the purposes of these Conditions:

(1) "**Consolidated Net Borrowings**" means Consolidated Total Borrowings less cash and cash equivalents (as determined in accordance with generally accepted accounting principles in Singapore);

(2) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group; and

(3) "**Consolidated Total Equity**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (without double-counting):

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(B) the amounts standing to the credit of the capital and revenue reserves (including revaluation reserves and profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(aa) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (B) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(bb) excluding any sums set aside for future taxation;

(cc) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group; and

(II) any debit balances on consolidated profit and loss account; and

(dd) including the amounts attributable to the non-controlling interests of the Group.

For the avoidance of doubt, for the purposes of these definitions, any perpetual securities issued by the Issuer or any other member of the Group which are accounted for as "equity" shall be treated as such (and not as debt).

(c) Non-disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the

Notes remains outstanding, it will not and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.29 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on the Issuer. The following disposals shall not be taken into account under Clause 15.29 of the Trust Deed:

(i) disposals in the ordinary course of business on arm's length basis and on normal commercial terms;

(ii) any disposal of assets which are obsolete, excess or no longer required for the purpose of its business on an arm's length basis and on normal commercial terms;

(iii) any payment of cash consideration for the acquisition of any asset on commercial terms and on an arm's length basis;

(iv) any exchange of assets on an arm's length basis and on normal commercial terms for other assets which are comparable or superior as to value and quality;

(v) any transfer of assets to any real estate investment trust or business trust, property fund or any other entity in which any member of the Group would at all times own beneficially (whether directly and/or indirectly) in aggregate at least 25 per cent. of the interest, units in or, as the case may be, shares in the issued share capital of such real estate investment trust or business trust, property fund or entity, provided that such transfers are conducted on an arm's length basis and on normal commercial terms; and

(vi) any disposal approved by the Trustee or by the Noteholders by way of an Extraordinary Resolution;

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) and the Agency Agreement to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of interest payable per Calculation Amount (as defined in Condition 4(II)(d)) in respect of any Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day, or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "Spread" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and

(C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about the 11:00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest - Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify or cause the Relevant Dealer to notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "Spread" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day, or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount (as defined in Condition 5(i)) of such Note (determined in accordance with Condition 5(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(i)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, if so required by the Issuer, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Redemption upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST (as defined in the Trust Deed) or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 30 days after the Effective Date. The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with an Exercise Notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) not later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

In this Condition 5(g), "**Effective Date**" means (where the shares of the Issuer cease to be traded on the SGX-ST) the date of cessation of trading or (where trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 days (other than by reason of holiday, statutory or otherwise)) the business day immediately following the expiry of such continuous period of 10 days.

(h) Purchases

The Issuer or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(j) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent and its specified office are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent and the Trustee, adversely affect the interests of the holders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within three years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay (i) any principal payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due or (ii) any interest or any other sum (other than principal) payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after the due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if that default is capable of remedy, it is not remedied within 30 days of the earlier of (i) the Trustee giving written notice of the failure to perform or comply to the Issuer and (ii) the Issuer becoming aware of the failure to perform or comply;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the circumstances resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 30 days of the earlier of (i) the Trustee giving written notice of such non-compliance or incorrectness to the Issuer and (ii) the Issuer becoming aware of such non-compliance or incorrectness;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as a result of any actual or potential default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys;

provided that no Event of Default shall occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and (d)(ii) above is less than S$5,000,000 (or its equivalent in any other currency or currencies);

(e) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the indebtedness of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);

(h) any step is taken by any person with a view to the winding-up of the Issuer or any of its Principal Subsidiaries or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries;

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any part of its business or (otherwise than as permitted by, and in accordance with, the provisions of Clause 15.29 of the Trust Deed) disposes or threatens to dispose of the whole or any material part of its property or assets;

(j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer or any of its Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 14.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those which are of a frivolous or vexatious nature and discharged within 30 days of its commencement or those being contested in good faith by appropriate proceedings), against the Issuer or any of its Principal Subsidiaries is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions:

(1) "**Principal Subsidiary**" means, at any particular time, any subsidiary of the Issuer:

(A) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(B) whose profit before tax, as shown by the accounts of such subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 15 per cent. of the profit before tax of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or any part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

(aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(bb) if a part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets or, as the case may be, profit before tax as shown by the accounts of such subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets or, as the case may be, the profit before tax of the Group, as shown by such audited consolidated accounts. In the event of a dispute, a report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

At any time after an Event of Default shall have occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, and to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Governing Law and Jurisdiction

(a) Governing Law

The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) No Immunity

The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Notes or the Coupons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consent generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Issuing and Paying Agent

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THE ISSUER

1. HISTORY AND OVERVIEW

Centurion Corporation Limited ("**Centurion**"), formerly known as SM Summit Holdings Limited, is a diversified business group (the "**Group**") involved in two main businesses - the development, ownership and management of accommodation properties and assets ("**Accommodation Business**"), and the manufacture and sale of optical storage media ("**Optical Disc Business**").

The Group was established in 1981 in Singapore and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in 1995 as one of the market leaders in the optical storage media industry.

The Group subsequently entered the Accommodation Business to capitalise on the opportunities in this niche market. In August 2011, the Group undertook a reverse acquisition exercise and diversified its business to include the design, development and operation of workers accommodation ("**Workers Accommodation Business**") by acquiring the entire issued and paid up capital of Westlite Dormitory (Toh Guan) Pte. Ltd. (formerly known as Centurion Dormitory (Westlite) Pte. Ltd.) and a 45% stake in Lian Beng-Centurion (Mandai) Pte. Ltd. ("**Lian Beng-Centurion**"). Recognising the growth and demand for quality purpose-built workers accommodation in Singapore and the region, the Group has been focusing on growing its Workers Accommodation Business in recent years.

Since the reverse acquisition in 2011, the Group has further strengthened its Workers Accommodation Business with several acquisitions of operational workers accommodation assets and development sites including two in Singapore, seven in Malaysia, one in Indonesia and one in Australia. It is also in the midst of completing the acquisition of two development sites in Malaysia.

The Workers Accommodation Business of the Group is presently managed under the Westlite brand and provides accommodation for approximately 38,000 foreign workers in Singapore and Malaysia, making the Group one of the largest providers of workers accommodation in Singapore and Malaysia.

Leveraging its expertise in workers accommodation, the Group recently diversified into the student accommodation business ("**Student Accommodation Business**") with the acquisition of RMIT Village, a 456-bed student accommodation in Melbourne, Australia. The Group has also acquired a portfolio of student accommodation assets in the United Kingdom totalling 1,906 beds – three in Manchester and one in Liverpool. Besides undertaking asset enhancement initiatives, the Group plans to explore more student accommodation opportunities in Australia, United Kingdom and other key educational hubs.

The Group endeavours to be one of the leading providers of quality accommodation in the region through three principal tenets, namely, undertaking active asset enhancement initiatives, developing and providing customised accommodation management services, as well as acquiring and developing quality workers and student accommodation assets. The Group remains positive about the future prospects of its Accommodation Business due to the growing demand and persistent shortage of quality and purpose-built workers accommodation in the region, as well as the strong demand for student accommodation in key education hubs such as those in Australia and United Kingdom.

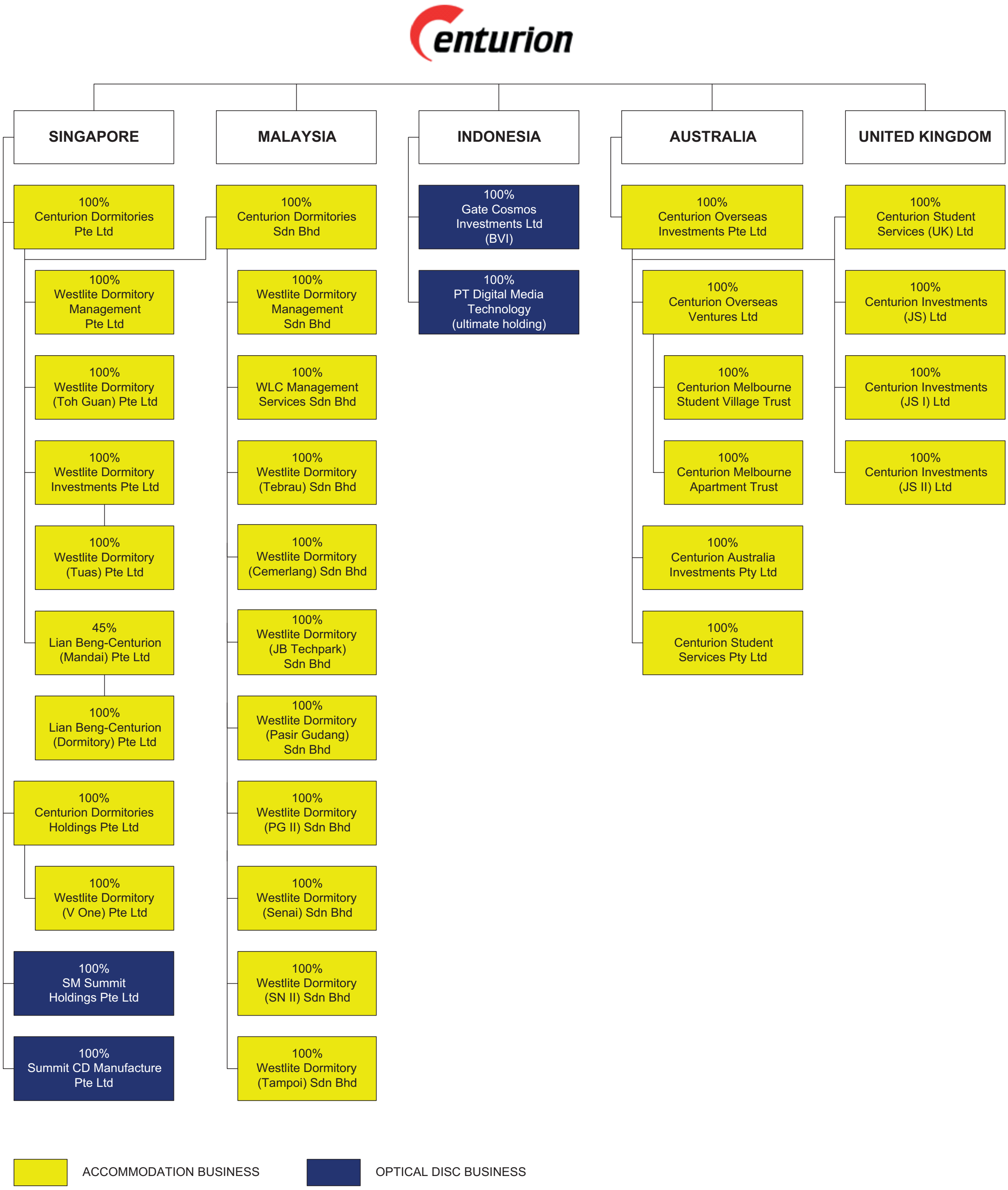
In addition, the Group will leverage on its strong portfolio of assets in the Workers Accommodation Business and Student Accommodation Business to further grow its Accommodation Business in existing and new geographical territories such as South-East Asia, China, Taiwan, the Middle East, Europe, the United States and Canada (the "**New Markets**").

The operating environment for the Group's Optical Disc Business has been and is likely to remain challenging. Market demand for physical storage media has been decreasing over the years with consumers shifting to internet downloads and streaming from physical packaged media. The Group has been carefully calibrating its factory capacity according to demand, and exercising prudent cost management strategies to maintain profitability and generate operating cashflows. The Group's Optical Disc Business will continue to operate as its secondary business segment to meet the Group's expansion needs in other areas with its positive cash flows.

As at the Latest Practicable Date, the Group has a total market capitalisation of approximately S$409 million, and the Group's net asset value as at 30 June 2014 is approximately S$318 million.

2. GROUP STRUCTURE

The Group's structure of core subsidiaries and associates as at the LPD is set out as follows:



3. RECENT SIGNIFICANT DEVELOPMENTS OF THE GROUP

Since the establishment of the Programme on 6 September 2013, the Group's business has progressed and the below charts the significant business developments of the Group.

Date		Recent significant developments
9 September 2013	:	Centurion announced the establishment of the Programme.
12 September 2013	:	Centurion announced that the tender bid submitted by Westlite Dormitory (V One) Pte Ltd, an indirect wholly-owned subsidiary of Centurion, for the land located at Woodlands Avenue 10 for the proposed workers accommodation development at a price of S$80.8 million had been accepted by Jurong Town Corporation.
1 October 2013	:	Centurion announced that (i) Centurion Dormitories Holdings Pte Ltd ("**CDHPL**"), a wholly-owned subsidiary of Centurion, had incorporated a wholly-owned subsidiary in Singapore known as Westlite Dormitory (V Three) Pte Ltd, and (ii) it had increased its investment in CDHPL by subscribing for an additional 99,999 ordinary shares at an issue price of SGD1.00 at a total consideration of S$99,999.
10 October 2013	:	Centurion announced that it had issued S$100,000,000 5.25 per cent. notes due 2016 (the "**Series 1 Notes**") under the Programme. The Series 1 Notes were listed on the SGX-ST on 11 October 2013. Centurion also announced the incorporation of three new wholly-owned subsidiaries. Centurion Dormitory Venture Pte Ltd is an investment holding company while Westlite Dormitory (V Four) Pte Ltd and Westlite Dormitory (V Five) Pte Ltd are principally engaged in the business of providing workers accommodation services.
14 October 2013	:	Centurion announced that Centurion Dormitories Sdn Bhd, Centurion's indirect wholly-owned subsidiary, had established a wholly-owned subsidiary in Malaysia, Tropianis Development Sdn Bhd, which is principally engaged in the business of providing services that relate to operation and management of workers accommodation.
28 October 2013	:	Centurion announced that 75,605,231 warrants (the "**Warrants**") were issued pursuant to the bonus issue of free warrants, with each warrant carrying the right to subscribe for one (1) new share at an exercise of S$0.50 for each new share, on the basis of one (1) warrant for every ten (10) existing ordinary shares in the capital of Centurion. The Warrants were listed and quoted on the Main Board of the SGX-ST on 31 October 2013.
1 November 2013	:	Centurion announced the incorporation of (i) a wholly-owned subsidiary in Singapore, Centurion Overseas Investments Pte Ltd, and (ii) a wholly-owned subsidiary in Australia, Centurion Australia Investments Pty Ltd, both as investment holding companies.

Date		Recent significant developments
28 November 2013	:	Centurion announced that Centurion Accommodation (Australia) Pty Ltd, an indirect wholly-owned subsidiary of the Company, had entered into put and call option deeds with Siruya Pty Ltd (as trustee of the GPO Melbourne Trust) and Transfield (OMH) Pty Ltd (collectively, the "**RMIT Village Vendor**") for the acquisition of a student accommodation facility ("**RMIT Village**") in North Melbourne and its adjoining car park building (the "**Car Park Building**") at a total consideration of A$60.0 million (or approximately S$69.0 million).
13 December 2013	:	Centurion announced (i) the incorporation of a wholly-owned subsidiary in Indonesia, PT Westlite Accommodation Cibitung, which is principally engaged in the business of providing services relating to operation and management of workers accommodation, and (ii) the acquisition of a 7,220 square metre plot of land in Jakarta, Indonesia for the development of workers accommodation for a consideration of approximately Rp7,550 million (equivalent to S$0.8 million).
16 December 2013	:	Centurion announced that (i) Centurion Australia Investments Pty Ltd, an indirect wholly-owned subsidiary of Centurion, has been nominated as the trustee and has executed two trust deeds to establish Centurion Melbourne Student Village Trust and Centurion Melbourne Apartment Trust (collectively, the "**Trusts**") as the vehicles for the purchase of RMIT Village and the Car Park Building, and (ii) the RMIT Village Vendor exercised its put option on 13 December 2013. As a result, Centurion Australia Investments Pty Ltd in its capacity as trustee of the Trusts is the purchaser under contracts of sale for the purchase of RMIT Village and the Car Park Building.
20 January 2014	:	Centurion officially opened its Westlite Johor Technology Park accommodation in Senai, Johor. The purpose-built workers accommodation has a capacity of 5,800 beds.
10 February 2014	:	Centurion announced the completion of the acquisition of RMIT Village and the Car Park Building.
28 February 2014	:	Centurion announced the appointment of Mr Gn Hiang Meng, a non-executive independent director, as the lead independent director of Centurion with effect from 1 March 2014.
6 March 2014	:	Lian Beng Group Ltd ("**Lian Beng**"), a major building construction group with integrated civil engineering and construction support service capabilities, becomes a substantial shareholder of Centurion, holding a 5.026% stake as of 6 March 2014.
8 April 2014	:	Centurion announced that it has increased its investment in Centurion Overseas Investments Pte Ltd, a wholly-owned subsidiary of Centurion, by subscribing for an additional 10,999,999 ordinary shares at an issue price of S$1.00 each for a consideration of S$10,999,999. Centurion Overseas Investments Pte Ltd has in turn subscribed for an additional 16,499,998 ordinary shares in the share capital of its wholly-owned subsidiary, Centurion Overseas Ventures Limited, for a consideration of AUD16,499,998.

Date		Recent significant developments
21 April 2014	:	Centurion announced that Lian Beng and Centurion have officially opened Westlite Mandai, a 6,300 bed accommodation, on 18 April 2014.
22 April 2014	:	Centurion announced that its wholly-owned subsidiary, Summit Technology Australia Pty Ltd has disposed of its stock and fixed assets for a consideration of A$650,000. Following the disposal of its stock and fixed assets, Summit Technology Australia Pty Ltd will cease its manufacturing operations of optical discs in Australia.
5 June 2014	:	Centurion announced that its indirect wholly-owned subsidiary, Centurion Dormitories Sdn Bhd, established a 49% associated company in Malaysia known as Oriental Amber Sdn Bhd. Oriental Amber Sdn Bhd had entered into a sale and purchase agreement to acquire a 7.6 acres freehold land in Nusajaya, Johor Bahru, Malaysia for a consideration of RM11,692,593 (approximately S$4,547,700). The freehold land, subject to conversion to workers accommodation, is planned for a potential development of a workers' accommodation of approximately 10,000 beds over two phases.
16 July 2014	:	Centurion announced that (i) Centurion Overseas Investments Pte Ltd has incorporated four new wholly-owned subsidiaries, three of which are located in Jersey, Channel Islands and one of which is located in the United Kingdom, and (ii) the Jersey subsidiaries have entered into four acquisition agreements in relation to a portfolio of operational student accommodation assets, with a total capacity of 1,906 student bedrooms, located in the United Kingdom (the "**UK Student Accommodation**") for a total consideration of £77 million (or approximately S$164,525,900).
31 July 2014	:	Centurion announced the appointment of Tan San-Ju as company secretary of Centurion in place of Hazel Chia Luang Chew.
12 August 2014	:	Centurion announced that its indirect wholly-owned subsidiary, Centurion Dormitories Sdn Bhd, had established a new wholly-owned subsidiary in Malaysia, Volvilla Development Sdn Bhd, as an investment holding company. Volvilla Development Sdn Bhd had entered into a sale and purchase agreement to acquire a 4.42 acre land located in Penang, Malaysia for a consideration of MYR6.3 million (or approximately S$2.45 million). The land, subject to conversion to workers accommodation use, is planned for a potential development of a workers accommodation of approximately 5,000 beds with comprehensive facilities and amenities.
3 September 2014	:	Centurion announced the completion of the acquisition of the UK Student Accommodation.
8 October 2014	:	Centurion announced the despatch of a circular to its shareholders in relation to (i) the ratification of its acquisition of the UK Student Accommodation, and (ii) the expansion of the geographical scope of its student and workers accommodation businesses to include the Middle East, Europe, the United States and Canada.

4. BUSINESS

As at the LPD, the primary businesses of the Group are its Accommodation Business and its Optical Disc Business.

The Group's revenue, profit after tax ("**PAT**") and earnings before interest, taxes, depreciation and amortization ("**EBITDA**") from its two business segments for FY2013, FY2012 and FY2011 are as follows:

	FY2013			**FY2012**			**FY2011**		
	Revenue (S$'000)	**PAT* (S$'000)**	**EBITDA* (S$'000)**	**Revenue (S$'000)**	**PAT* (S$'000)**	**EBITDA* (S$'000)**	**Revenue (S$'000)**	**PAT* (S$'000)**	**EBITDA* (S$'000)**
Accommodation Business	47,275 (71%)	19,631 (104%)	32,233 (98%)	37,381 (57%)	13,761 (90%)	23,793 (86%)	12,987 (43%)	6,933 (82%)	9,180 (75%)
Optical Disc Business	19,157 (29%)	(782) (-4%)	653 (2%)	27,850 (43%)	1,544 (10%)	4,019 (14%)	17,057 (57%)	1,530 (18%)	3,102 (25%)
Total	66,432	18,849	32,886	65,231	15,305	27,812	30,044	8,463	12,282

**restated figures pursuant to a change in the Group's accounting policy from cost to fair value model. It excludes the one-off items on fair valuation gain/loss arising from investment properties, impairment loss on goodwill and reverse acquisition expense. Please refer to the section titled "SELECTED CONSOLIDATED FINANCIAL INFORMATION" for further information.*

The Group's revenue by geographical areas for FY2013, FY2012 and FY2011 are as follows:

	FY2013		**FY2012**		**FY2011**	
	Revenue (S$'000)	**Percentage (%)**	**Revenue (S$'000)**	**Percentage (%)**	**Revenue (S$'000)**	**Percentage (%)**
Singapore	50,172	76	43,503	67	16,751	56
Malaysia	3,125	5	1,501	2	-	-
Australia	9,378	14	15,167	23	9,887	33
Others	3,757	5	5,060	8	3,406	11
Total	**66,432**	**100**	**65,231**	**100**	**30,044**	**100**

4.1 Accommodation Business

The Group first entered the Accommodation Business to capitalise on the opportunities in this niche market in August 2011 by diversifying into the Workers Accommodation Business through the acquisitions of the entire issued and paid up capital of Westlite Dormitory (Toh Guan) Pte. Ltd. (formerly known as Centurion Dormitory (Westlite) Pte. Ltd.) and a 45% stake in Lian Beng-Centurion. The Group is the only Singapore-listed company focused on providing purpose-built workers accommodation in Asia.

The purpose-built workers accommodation market in which the Workers Accommodation Business of the Group operates in is supported by heavy reliance on foreign/migrant workers across the region in tandem with economic growth in the region. The shortage of purpose-built workers accommodation in suitable locations exacerbates the demand/supply imbalance.

Income from the Group's Workers Accommodation Business is primarily derived from renting out workers accommodation units to its customers, who comprise of companies from various industries including marine, engineering, oil and gas, and construction industries. The lease period for a majority of the Group's workers accommodation signed with its customers is for a period of one to two years. These companies house the foreign workers that they employ in the Group's accommodation.

In addition to income from rental of the accommodation units, the Group also derive rental income by leasing commercial spaces located within the compounds of its accommodation properties to third party operators to operate canteens, minimarts and certain ancillary services.

Besides providing accommodation, the Group seeks to offer a safe and conducive living environment for its residents. All the Group's workers accommodation assets have round-the-clock security guards, security cameras and biometric access systems to ensure no unauthorised access to the workers accommodation by any third parties. Each workers accommodation has extensive amenities and facilities. Besides a minimart, canteen, barber shop, automatic teller machines and laundry services to provide convenience for their daily needs, the Group's workers accommodations also offers various recreational facilities such as badminton courts, basketball courts, exercise corners, multi-purpose rooms, communal reading and Internet room, games room and gyms. The foreign workers residing in the Group's workers accommodation are of various races and nationalities and comprise, amongst others, Indians, Bangladeshis, Thais, Myanmese, Filipinos and Chinese. As the incoming residents come from diverse societal backgrounds and living environments, the Group conducts briefings on house rules, acceptable dress codes and behaviour in the society. The Group also provides the foreign workers residing in the Group's accommodation with necessary information to help them adjust to life in a new environment and organises various leisure and enrichment activities to cater to the well-being of its residents, such as outings, excursions, screening of movies, night markets, dinners to commemorate festive occasions, carnivals, free health screening, enrichment classes etc.

In February 2014, the Group diversified into the Student Accommodation Business with its maiden acquisition of RMIT Village, a student accommodation with 456 beds located in Melbourne, Australia. The Group further scaled up its Student Accommodation portfolio with the acquisition of three student accommodation assets in Manchester and one in Liverpool, with a total of 1,906 beds, in the United Kingdom in September 2014.

The Group made significant progress in its Accommodation Business in 2013 and 2014 with greater contribution to the Group's financial performance. This was achieved on the back of new acquisitions in Singapore, Malaysia, Indonesia and Australia as well as strong demand for workers accommodation in Singapore resulting in an increase in rental rates and occupancy. As at the Latest Practicable Date, the Group owns three operational workers accommodation assets and one workers accommodation development site in Singapore, five operational workers accommodation assets and two workers accommodation development sites in Malaysia, one workers / short stay accommodation development site in Indonesia, one operational student accommodation asset and one short stay accommodation development site in Australia as well as a portfolio of four operational student accommodation assets in the United Kingdom. It is also in the midst of completing the acquisition of two workers accommodation development sites in Malaysia.

The Group prides itself on its holistic approach in managing its accommodation assets with focus on the well-being of its residents with the provision of a conducive environment for community living. The Group expects to continue on this path to expand its business, grow revenues, and maintain stringent cost controls to increase shareholders' return and gain a stronger foothold in the accommodation industry.

The Group will continue to leverage on its expertise in the Workers Accommodation Business to seek new business opportunities in other accommodation types such as Student Accommodation Business and Short Stay Accommodation Business in existing countries and the New Markets.

4.1.1 Workers Accommodation Business in Singapore

Singapore has a high dependency on foreign workers across its pillar industries and the Singapore government regularly stresses the importance of foreign workers to the economy and its competitiveness.

The Singapore workers accommodation market in which the Worker Accommodation Business of the Group operates in is characterised on the one hand by the strong underlying demand for foreign workers driven in recent years primarily by economic expansion, and on the other hand, by limited supply of purpose-built workers accommodation. While the market is expected to see new supply due to recent release of land sites by the Government for purpose-built workers accommodation development, the undersupply situation and the Government's intention to ensure quality housing for foreign workers continues to remain favourable to the Group in the medium term. The Group maintains a positive outlook of its Worker Accommodation Business and its contribution to the Group's financial performance.

The Group's Workers Accommodation Business in Singapore is presently managed under the Westlite brand which is one of the largest providers of workers accommodation in Singapore. The Group currently operates three workers accommodation in Singapore, namely, Westlite Toh Guan, Westlite Tuas and Westlite Mandai. Both Westlite Toh Guan and Westlite Tuas are 100% owned while Westlite Mandai, a joint venture with Lian Beng, is 45% owned. The current three accommodations operate at high occupancy with a capacity of approximately 23,500 beds. The Group is currently developing a 4,100-bed workers accommodation located at Woodlands Avenue 10, and ongoing construction and development works are expected to be completed in 3Q2015.

4.1.2 Workers Accommodation Business in Malaysia

The Group's Workers Accommodation Business in Malaysia is presently managed under the Westlite brand and it is one of the largest providers of purpose-built workers accommodation in Malaysia.

As one of the pioneers in purpose-built workers accommodation in Malaysia, the Group's workers accommodation and services are gaining recognition and acceptance by MNCs, local companies and their workers. Rental rates for the Group's workers accommodation are generally higher compared to its competitors who house the workers in alternative accommodation such as shop lots, terrace houses and low-cost housing.

The Group has a current bed capacity of approximately 14,500 beds in Malaysia with about 10,800 beds in the pipeline, catering primarily to the manufacturing sector. As at the LPD, the Group currently has five operating accommodations, i.e. Westlite Tebrau, Westlite Johor Technology Park, Westlite Desa Cemerlang, Westlite Pasir Gudang and Westlite Senai, and two accommodations under development, i.e. Westlite Tampoi and Westlite Senai II. The Group has been making good progress in building its customer base in Malaysia and attracting the manufacturers to house their workers in its workers accommodation portfolio. Amongst its existing customers are reputable multi-national electronic contract manufacturers and manufacturing companies who care for their workers' well-being by putting them in proper accommodation. As part of their manufacturing requirement to meet the Electronic Industry Citizenship Coalition standards, certain companies would prefer to house their workers in proper accommodation. The Group has managed to achieve an aggregate occupancy rate of approximately 90% of its total bed capacities in Malaysia as at the LPD.

4.1.3 Student Accommodation Business in Australia

In February 2014, the Group acquired RMIT Village and the Car Park Building for an aggregated purchase consideration of A$60 million. This is the Group's first student accommodation asset and is strategically located on the northern edge of Melbourne's Central Business District, in a well-established education precinct on Flemington Road, in close vicinity to RMIT University and the University of Melbourne. Sited on a 4,000 square metres freehold land parcel, the accommodation comprises 229 apartments and a current capacity of approximately 456 beds. It is centered around a large landscaped courtyard garden area with extensive quality facilities including a swimming pool, cafe, study centre and gymnasium.

Affiliated to RMIT University as its student accommodation facility, RMIT Village benefits from an arrangement whereby the university may reserve beds for its students prior to the commencement of each academic year. Occupancy at RMIT Village has been close to full in the past three years. As at the LPD, RMIT Village operates at close to full occupancy.

The existing student accommodation presents asset enhancement opportunities to increase its bed capacity in the future.

4.1.4 Student Accommodation Business in the United Kingdom

Following its acquisition of RMIT Village, the Group made its maiden foray into the United Kingdom with the acquisition of three student accommodation assets in Manchester and one in Liverpool with a total of 1,906 beds. With a total purchase consideration of £77 million, the acquisition was Centurion's largest acquisition to date.

The student accommodation assets are strategically located in the established education precincts of Manchester which boasts the UK's largest regional student population, as well as Liverpool. The properties – namely Manchester Student Village, Manchester Student Village South and The Grafton in Manchester, and Cathedral Campus in Liverpool – provide easy access to the cities' main university campuses and the city centre. Internationally renowned institutions such as the University of Manchester and Manchester Metropolitan University are located within a short distance from the Manchester properties, including The Grafton which is situated just off the main Oxford road, being only a short walk away from the University of Manchester's main campus. Meanwhile Cathedral Campus is in close proximity to the highly regarded Liverpool John Moores University and the Liverpool Institute of Performing Arts.

The three Manchester student accommodation assets are freehold properties, while Cathedral Campus in Liverpool is a long leasehold property with 243 years remaining. All assets are fully operational and have a strong track record of achieving high occupancy rates over the last three years. As at the LPD, the UK student accommodation assets operate at close to full occupancy.

The student accommodation assets also offer redevelopment and asset enhancement opportunities to increase bed capacity, which will be further evaluated.

4.1.5 Short Stay Accommodation Business in Australia

In September 2012, the Group acquired four adjacent freehold plots of land with a total area of 4,434 square metres at Port Hedland, Western Australia, strategically located in the city centre of Port Hedland which is 1,600 km north of Perth, to cater to workers, business executives and visitors in the mining industry of the Pilbara region.

The land is currently zoned as 'Industry' and the Port Hedland Council is in the process of obtaining rezoning approval for "Mixed Business" use and short-stay accommodation. This rezoning is subject to the obtaining of further approvals from the relevant authorities.

4.1.6 Workers Accommodation/ Short Stay Accommodation Business in Jakarta, Indonesia

In December 2013, the Group acquired a 7,220 square metres plot of land in Jakarta, Indonesia for the development of workers / short stay accommodation. This is the Group's maiden workers / short stay accommodation investment in Indonesia. The proposed workers / short stay accommodation is located in the eastern part of Jakarta in Bekasi District, which is approximately 30 km from Central Jakarta. The area comprises several established industrial parks, including Cibitung Industrial Park, which is approximately a seven-minute drive away.

The Group is contemplating developing a workers / short stay accommodation which will target and house workers as well as middle-level executives working in nearby industrial parks.

4.1.7 Industrial Property Business

For large parcels of land which the Group has acquired such as the Westlite Mandai and Westlite Tampoi projects, the Group may develop industrial property on parts of the land if the Group is of the view that it would be commercially advantageous to develop both workers accommodation and industrial properties on these land parcels ("**Industrial Property Business**").

The Group has developed a freehold land site located within the Mandai Industrial Estate, through its joint-venture company, Lian Beng-Centurion, in which the Group holds a 45% share. The site yielded a 141-unit ramp up industrial building and three blocks of workers accommodation. All the industrial units were fully sold and the project obtained Temporary Occupancy Permit in January 2014.

4.1.8 Current Business Portfolio of Accommodation Business

Please see contained in the tables herein details of the accommodation assets of the Group as at the Latest Practicable Date.

(a) **<u>Singapore</u>**

Name / Location	Group's Stake (%)	Land Tenure	Property Status	Land Area (sq m)	Gross Floor Area (sq m)	Current capacity	Expected Additional Capacity		Current/ Expected Total Capacity
						No. of Beds	No. of Beds	Expected Completion Date	
Westlite Toh Guan / Toh Guan	100	60 years (with effect from ("wef") 1998)	Operational	11,685	23,371	8,600	-	-	8,600
Westlite Tuas / Tuas	100	3+3+3 years (wef 2008)	Operational	37,870	55,995	8,600	-	-	8,600
Westlite Mandai / Mandai	45	Freehold	Operational	8,000	29,055	6,300	-	-	6,300
Westlite Woodlands / Woodlands	100	30 years (wef 2013)	Under Construction	9,542	28,626	-	4,100	3Q 2015	4,100

As at the LPD, the operational workers accommodation assets in Singapore operate at high occupancy.

(b) **<u>Malaysia</u>**

Name / Location	Group's Stake (%)	Land Tenure	Property Status	Land Area (sq m)	Gross Floor Area (sq m)	Current capacity	Expected Additional Capacity		Current/ Expected Total Capacity
						No. of Beds	No. of Beds	Expected Completion Date	
Westlite Johor Technology Park / Johor Technology Park, Johor	100	99 years (wef 2011)	Operational	14,314	22,155	5,800	-	-	5,800
Westlite Tebrau / Tebrau, Johor	100	60 years (wef 2000)	Operational	5,721	13,781	2,500	-	-	2,500
Westlite Desa Cemerlang / Desa Cemerlang, Johor	100	Freehold	Operational	15,555	6,300	1,600	-	-	1,600

Name / Location	Group's Stake (%)	Land Tenure	Property Status	Land Area (sq m)	Gross Floor Area (sq m)	Current capacity	Expected Additional Capacity		Current/ Expected Total Capacity
						No. of Beds	No. of Beds	Expected Completion Date	
Westlite Pasir Gudang / Pasir Gudang, Johor	100	99 years (wef 1986)	Operational	8,391	10,380	2,000	-	-	2,000
Westlite Senai / Senai, Johor	100	Freehold	Operational	6,880	11,149	2,600	-	-	2,600
Westlite Senai II / Senai, Johor	100	Freehold	Under Construction	16,430	30,150	-	5,500	4Q 2015	5,500
Westlite Tampoi / Tampoi, Johor	100	Freehold	Under Construction	28,328	22,543	-	5,300	1Q 2015	5,300

As at the LPD, the operational workers accommodation assets in Malaysia operate at close to full occupancy.

(c) **Australia**

Name / Location	Group's Stake (%)	Land Tenure	Property Status	Land Area (sq m)	Gross Floor Area (sq m)	Current capacity	Expected Additional Capacity		Current/ Expected Total Capacity
						No. of Beds	No. of Beds	Expected Completion Date	
Port Hedland Project / Port Hedland, Western Australia	100	Freehold	Rezoning in progress	4,434	-	-	200	-	200
RMIT Village	100	Freehold	Operational	6,206	12,400	456	-	-	456

As at the LPD, the student accommodation asset in Australia operates at close to full occupancy.

(d) **Indonesia**

Name / Location	Group's Stake (%)	Land Tenure	Property Status	Land Area (sq m)	Gross Floor Area (sq m)	Current capacity	Expected Additional Capacity		Current/ Expected Total Capacity
						No. of Beds	No. of Beds	Expected Completion Date	
Land in Bekasi, Jakarta, Indonesia	100	30 years (wef 2013)	Under planning	7,220	-	-	-	-	-

(e) **United Kingdom**

Name / Location	Group's Stake (%)	Land Tenure	Property Status	Land Area (sq m)	Gross Floor Area (sq m)	Current capacity	Expected Additional Capacity		Current/ Expected Total Capacity
						No. of Beds	No. of Beds	Expected Completion Date	
Manchester Student Village	100	Freehold	Operational	4,403	-	1,022	-	-	1,022
Manchester Student Village South	100	Freehold	Operational	6,151	-	355	-	-	355
The Grafton	100	Freehold	Operational	882	-	145	-	-	145
Cathedral Campus	100	250 years (wef 2007)	Operational	16,106	-	384	-	-	384

As at the LPD, the student accommodation assets in the United Kingdom operate at close to full occupancy.

4.1.9 Description of Current Business Portfolio of Accommodation Business

(a) <u>Singapore</u>

<u>Westlite Toh Guan</u>

Located at 12 to 28 Toh Guan Road East, Westlite Toh Guan is a purpose-built workers accommodation sited on a 60-year leasehold land. As at December 2013, it has a remaining leasehold tenure of approximately 45 years, with the approval for use as workers accommodation for 30 years from September 2002.

There is no restriction on housing foreign workers from any specific industry sector. The existing residents of Westlite Toh Guan are mainly foreign workers employed by companies engaged in various industries, including the marine, engineering, oil and gas, manufacturing and construction sectors.

Westlite Toh Guan presently comprises eight blocks of workers accommodation buildings which can house approximately 8,600 residents. Each unit is equipped with attached bathroom, toilet, dining area as well as a kitchen for residents to prepare their meals in. Westlite Toh Guan also provides a host of services to its customers to ensure that their workers' welfare is well taken care of. These include regular scheduled activities at night and over weekends such as movie screenings, picnics, health screenings, communal events, road shows, night markets and celebration activities in conjunction with festive seasons.

The Group undertook upgrading works in 2012 to increase Westlite Toh Guan's bed capacity from approximately 5,300 beds to approximately 8,600 beds and also expanding its existing recreation and commercial facilities. Completed in January

2014, the upgrading works include an additional 18 storey block, complemented by additional indoor and outdoor recreational facilities such as roof gardens, fitness corner, game courts, BBQ areas, internet surfing rooms and reading areas. To demonstrate the commitment and focus on providing quality accommodation and service to its customers, the workers accommodation obtained its ISO 9001 certification on its existing process and systems in 2012.

<u>Westlite Tuas</u>

Acquired in February 2012, Westlite Tuas is located at 90 Tuas South Ave 9 and is one of the largest workers accommodations in Singapore with 8,600 beds. This asset is a purpose-built workers accommodation under a 3+3+3 year lease from the Building and Construction Authority ("**BCA**") with a remaining lease of approximately 2.5 years and accommodates only workers from the construction industry.

The workers accommodation is equipped with comprehensive facilities and well thought-out furnishing and fittings that set it apart from other accommodation. Residents enjoy free WiFi internet access in their own units and are able to prepare meals with hygienic communal kitchen facilities. Since the Group acquired this workers accommodation in March 2012, the focus has been on maintaining a high level of service as well as promoting workers' welfare based on the Group's operational model.

Other on-site services include a canteen and a minimart to cater to the residents' daily needs. It houses workers from many countries including Bangladesh, China, India and Myanmar.

Westlite Tuas was awarded the prestigious BCA Green Mark Gold Award in 2010 for its eco-friendly design and features such as optimal use of natural light, greywater recycling and usage of sustainable construction materials which improve energy and water efficiency.

Westlite Mandai

Westlite Mandai is a joint venture of the Group with Lian Beng to develop a 141-unit ramp-up industrial building and three blocks of workers accommodation on a site located at Mandai Estate. The workers accommodation sits on a freehold land site and can house foreign workers from any industry.

Westlite Mandai was completed over two phases in April and October 2013, and now operates with a capacity of 6,300 beds. The industrial building obtained Temporary Occupation Permit in January 2014. All the units in the ramp-up industrial building were fully sold, and the Group recognised a gain of S$17.4 million in 1Q2014.

Westlite Woodlands

The Group is currently developing a 4,100-bed workers accommodation located at Woodlands Avenue 10, and ongoing construction and development works are expected to be completed in 3Q2015.

When completed, it will have comprehensive facilities including sports facilities, gymnasium, reading rooms, and will house workers from process, marine, manufacturing and other sectors.

(b) Malaysia

Westlite Johor Technology Park

The Group acquired Westlite Johor Technology Park in November 2011 as a workers accommodation project under construction. This newly-constructed asset was completed in 2012 and commenced operations in August 2012 with approximately 5,800 beds. Located in the midst of Johor Technology Park, the workers accommodation attracts companies operating in and around the industrial park as a solution to house their workers.

It provides a conducive setting and living environment. Residents are presented with spacious bedrooms, and enjoy shared living and dining areas, bathrooms and cooking facilities.

Westlite Tebrau

Westlite Tebrau, located within the industrial area of Tebrau IV, is the second asset that the Group acquired in Malaysia. It was acquired in February 2012 and has a capacity of approximately 2,500 beds. There are also shared bathrooms, cooking facilities, and both living and dining areas for residents to unwind and enjoy home cooked meals.

The workers accommodation is located in the established Tebrau industrial park, and offers convenience to companies in this area to house their workers.

Westlite Desa Cemerlang

In April 2012, the Group acquired an existing workers accommodation, Westlite Desa Cemerlang, located at Desa Cemerlang, Ulu Tiram, Johor. Westlite Desa Cemerlang is strategically located near the manufacturing hubs of Taman Perindustrian Tiram Utama, Tiram Industrial Park, Perindustrian Cemerlang and Tropika Industrial Park. Comprising of single storey buildings spread across a sprawling 15,555 square meter piece of land, residents enjoy community living with spacious bedrooms and are able to bond over meals in the common living and dining areas which are complete with cooking facilities, bathrooms and toilets. The workers accommodation asset underwent renovation and refurbishment in 2012. It now operates with a capacity of 1,600 beds and targets companies with operations in the Desa Cemerlang industrial parks.

Westlite Pasir Gudang

Westlite Pasir Gudang is conveniently situated near the industrial zone within Pasir Gudang. Comprising two blocks, this modern workers accommodation currently accommodates up to 2,000 residents. Residents are provided with clean and spacious bedrooms, common living and dining areas complete with cooking facilities and opportunities to bond with the community through various recreational activities.

Westlite Senai

Westlite Senai, a 2,600 bed workers accommodation, is sited on a land of approximately 6,880 square metres and opened in the fourth quarter of 2013. Westlite Senai is strategically located near established industrial parks in Senai where several major multinational electronics manufacturers are based. It is also one of the flagship zones of the growing Iskandar Malaysia region. Future residents there can look forward to enjoying the Westlite standard with spacious bedrooms, shared living and dining areas, bathrooms and cooking facilities.

Westlite Senai II

Currently under development, Westlite Senai II is an extension to Westlite Senai and is located within close vicinity to Westlite Senai. It is expected to be completed in 4Q 2015 and has a bed capacity of 5,500.

Westlite Tampoi

Westlite Tampoi is strategically located within the well-established Tampoi Industrial Park. It is currently under development, with part of the land being planned as workers accommodation with approximately 5,300 beds. It is expected to be completed in 1Q 2015. The remaining land may be developed into additional workers accommodation or an independent industrial factory at a later date. Residents are provided with clean and spacious bedrooms, common living and dining areas complete with cooking facilities and opportunities to bond with the community through various recreational activities.

(c) Australia

Port Hedland

In September 2012, the Group acquired adjacent freehold pieces of land at Port Hedland in Western Australia and intends to develop a short stay accommodation and ancillary facilities catering to workers, business executives and visitors to the Pilbara region and its mining industry. The land is within an amendment scheme, and the local council is still currently undergoing a re-zoning approval process to use the land for “Mixed Business” and short stay accommodation.

RMIT Village

RMIT Village is located on the northern edge of Melbourne’s Central Business District in a prime education precinct on Flemington Road. RMIT Village is approximately a 5 minute tram ride or a 10 minute walk to RMIT University and across the road from the University of Melbourne. It sits on a freehold land of approximately 4,000 square metres and is a fully operational student accommodation facility with 229 apartments and a current capacity of approximately 456 beds. Being in close proximity to RMIT University and the University of Melbourne, RMIT Village has achieved close to full occupancy for the past three years.

Affiliated to RMIT University as its student accommodation facility, RMIT Village benefits from an arrangement where the university may reserve beds for its students prior to the commencement of each academic year.

The Car Park Building is located on an adjoining freehold land with an area of approximately 2,050 square metres. It has the potential to be re-developed into a new apartment building for university students and/or staff working in the healthcare industry in the vicinity.

(d) Indonesia

The Group acquired a 7,220 sq m plot of land in the eastern part of Jakarta in Bekasi District, approximately 30 km from Central Jakarta in Indonesia for the development of workers accommodation.

The area which the accommodation will be located in comprises several established industrial parks, including Cibitung Industrial Park, approximately seven minutes away by car. The Industrial Park houses over 200 multinational companies and there are approximately 100,000 workers in and around the site.

The Group is contemplating developing accommodation to house workers as well as middle-level executives working in nearby industrial parks.

(e) United Kingdom

Manchester Student Village ("**MSV**")

MSV is a freehold property located at Lower Chatham Street, Manchester, M1 5SX, United Kingdom. MSV has a current capacity of 1,022 student bedrooms arranged predominately as 3 and 4 cluster bedrooms with shared kitchen and bathroom facilities. MSV enjoys high historical occupancy rates due to its close proximity to (i) both the University of Manchester and Manchester Metropolitan University campuses and (ii) Manchester City Centre.

Manchester Student Village South ("**MSVS**")

MSVS is a freehold property located at 357A Great Western Street, Manchester, M14 4AH, United Kingdom. MSVS has a current capacity of 355 student bedrooms arranged predominately as 4 en-suite bedrooms with a shared kitchen and lounge. MSVS is situated at an excellent location, off Wilmslow Road to the south of Wilmslow Park and within 10 minutes walk from the city campuses to the north and Fallowfield to the south. MSVS has enjoyed high occupancy rates since 2002.

The Grafton

The Grafton is a freehold property located at 60 Grafton Street, Manchester, M13 9NU, United Kingdom. The Grafton has a current capacity of 145 student bedrooms arranged as 2 and 3 cluster bedrooms with shared kitchen and bathroom facilities. The Grafton is located just off the main Oxford road, a short walk away to the University of Manchester's main campus and has enjoyed high historical occupancy rates since 2010 when it started operations.

Cathedral Campus

Cathedral Campus is a long leasehold interest property, with 243 years remaining, located at 1 Dean Patey Court, Cathedral Gate, Off Upper Duke Street, Liverpool, L1 7BT, United Kingdom. Cathedral Campus has a current capacity of 384 student bedrooms arranged as 4 or 5 bedroom town houses with shared kitchen and bathroom facilities. CC is located in close proximity to Liverpool John Moores University, Liverpool Institute of Performing Arts and Liverpool City Centre and has experienced historically strong occupancy rates.

4.2 Optical Disc Business

The Group's Optical Disc Business was founded by its Executive Director, Mr Lee Kerk Chong in 1981. The Group started out as an audio cassette tape manufacturing business operating out of a factory with 10 persons. Over the years, the Optical Disc Business evolved together with the market's technology requirements, advancing into the manufacture of optical disc storage media. The Group was listed on the Mainboard of SGX-ST in 1995 and later grew its regional presence with manufacturing plants in Singapore, Australia and Indonesia.

Built upon the prestigious "Summit" name and brand within the industry, the Group currently produces optical discs for numerous clients including prominent companies in the leisure, entertainment and information technology industries. The range of optical discs that it manufactures includes compact discs ("**CD**"), digital versatile discs ("**DVD**") and Ecodiscs. Besides manufacturing optical discs, the business offers a suite of support services such as copyright protection, audio premastering, video authoring, design, sub-titling and packaging amongst others.

4.2.1 Optical Disc Business in Singapore

The Group has a wholly-owned subsidiary in Singapore, namely, Summit CD Manufacture Pte Ltd ("**Summit CD**"). Summit CD is a one-stop manufacturing service provider of CDs and DVDs for the Multimedia, Audio, Video, and IT Industries in Singapore and around the world. With state-of-the-art manufacturing facilities in Singapore, Summit CD's clients include prominent multi-national corporations in the leisure, entertainment and software industries.

Summit CD's services include electronic page design, annual report e-books, electronic corporate profiles, disc menu creation, authoring, premastering, anti-copying protection, glass mastering, printing, packaging, letter shopping services and delivery.

Summit CD's operations are not only ISO9001 certified for its quality management system but has continued to be ISO14001 certified, for being a socially responsible organisation, for its environmental management system. Commitment towards the protection of customers' intellectual property has always been a high priority for the Group. In line with the Group's initiative, Summit CD continues to be certified by the Content Delivery and Storage Association ("**CDSA**") under both of its Copyright and Licensing Verification and Content Protection and Security Programmes.

4.2.2 Optical Disc Business in Indonesia

PT Digital Media Technology ("**DMTech**") is a well-known CD and DVD manufacturer in Indonesia with its manufacturing facilities in MM21000 Industrial Estate Cibitung. With its proximity to the central district of Jakarta and a 20-minute drive from the Jakarta High Way, DMTech is one of the market leaders in providing legitimate CD/DVD replication services in Indonesia since 2002. Committed to delivering good quality products and safeguarding intellectual property rights, DMTech was the first optical disc manufacturer in Indonesia to obtain ISO 9001 and ISO14001 certifications as well as the CDSA anti-piracy certification which endorses the company's quality, environmental and security management systems.

With a full suite of services ranging from glass mastering, CD/DVD replication to printing and even customised packing and delivery, DMTech's clientele includes big international companies from the leisure and entertainment industry as well as those involved in computer software, education, book publishing and fast moving consumer products.

5. GROWTH STRATEGIES

5.1 Accommodation Business

The Group will continue to strengthen its focus on the Accommodation Business, which has the right ingredients and available opportunities to propel its continued growth. In doing so, it has put in place a set of strategies to achieve its vision as the leading provider of quality accommodation solutions in the region. The Group's business strategies and future plans for the growth and expansion of its Accommodation Business are as follows:

(a) Acquire and develop quality workers accommodation assets in Singapore and the region and beyond

To strengthen and build its core portfolio of workers accommodation properties, the Group continues to look for acquisition opportunities in the region to develop, own and manage, either existing or development assets to grow the Workers Accommodation Business. Besides Singapore and Malaysia, the Group intends to continue exploring opportunities in key industrial hubs in the New Markets. The Group is looking to pursue these various prospects on its own or through partnerships with other companies.

The management of the Group has selected the New Markets after evaluating various geographical regions. The New Markets were selected as the Group has been approached by investors and business partners from these countries that are looking to tap on the expertise of the Group in the accommodation development business.

Embarking on the Accommodation Business in the New Markets enables the Group to tap on overseas investment opportunities, ensure stability in revenue levels and maximise revenue and profits through economies of scale.

As its home base, the Group will continue to explore expansion opportunities in Singapore through active participation in land tender on sites released by the Government in the future for developing and building new workers accommodation sites. In this regard, the Group successfully won a land tender by Jurong Town Corporation for a 9,542 square metres site located at Woodlands Avenue 10.

Having built its presence in Johor, Malaysia, the Group is actively seeking opportunities to grow its workers accommodation portfolio in other industrial nodes of Malaysia such as Penang. Similar to Johor, Penang is a key industrial hub and attracted many large MNCs to set up their manufacturing base here. It relies heavily on its large foreign workers population base to support the manufacturing activities, and with a supportive government, Penang has the necessary ingredients for the development of quality purpose- built workers accommodation. The Group intends to duplicate its Johor business model and build a portfolio of workers accommodation to cater to the foreign workers in other parts of Malaysia. Further to the above, the Group is in the midst of acquiring a 4.42-acre land in Penang, Malaysia.

The Group is also actively exploring opportunities to develop workers accommodation for blue collar workers as well as for white collar supervisors and administrative staff in the region. In Jakarta, Indonesia, because of the congested traffic conditions, workers prefer to seek accommodation which is close to their workplace, thus providing opportunities for the Group to develop alternative accommodation options to cater to the needs of these workers.

(b) Further Expansion into Student Accommodation Business

Expanding the Group's investment scope to include student accommodation in addition to workers accommodation will allow it to tap into a key growth area in the accommodation sector, grow with more flexibility through the acquisition and/or development of student accommodation and facilitate a more stable revenue stream. The Group also believes that there are operational synergies in the management and operation of workers accommodation and student accommodation due to the similarity in business models, and the integration of the Student Accommodation Business into the Group's existing businesses will result in a more diverse business group which is able to capitalise on its existing management skill sets and knowledge. The Group also believes that the operation of student accommodation has less regulatory requirements and has lower operational risks as compared to the operation of workers accommodation.

In this regard, the Group recently diversified into the student accommodation business with the acquisition of RMIT Village in Melbourne, Australia. The Group has also acquired a portfolio of student accommodation assets in the United Kingdom. Besides enhancing and redeveloping these assets, the Group plans to explore more student accommodation opportunities in Australia and other key educational hubs.

The Group will continue to explore further opportunities for this new area of growth.

(c) Undertake active enhancement initiatives

The Group adopts a proactive stance in improving the quality of its accommodation assets, exceeding customer expectations and adding value to its offerings. Through ongoing reviews of its accommodation assets, the Group identifies opportunities to undertake upgrading and expansion programs which will improve the market competitiveness and enhance the value of its accommodation assets.

(d) **Provision of customised management and ancillary services**

Leveraging on its expertise and experience, the Group is on a constant lookout for opportunities to grow its service offering across the value chain of the workers accommodation industry. This may include services to enhance the Group's offerings to its client base and residents such as manpower management services, laundry services, food catering, minimarts and other ancillary services.

Workers accommodation has become an investment asset class in Singapore which attracts institutional or financial investors who have limited experience in managing them. The Group intends to leverage on its management expertise to seek opportunities in managing workers accommodation owned by these investors and also to provide quality services to value-add to such accommodation assets.

The Group may also undertake management of accommodation owned by third parties. These may include companies which develops accommodation to house their own workers.

5.2 Optical Disc Business

The operating environment for the Group's Optical Disc Business is likely to remain challenging as market demand for physical storage media falls with consumers shifting to internet downloads and streaming as compared to physical packaged media. The Group will carefully calibrate and scale down its factory capacity according to demand, and exercise prudent cost management strategies to ensure that the business continues to contribute positively to overall profitability and generates cash flows to meet the Group's expansion needs.

The Group currently does not have any expansion plans in relation to its Optical Disc Business unless opportunities for mergers and acquisitions as a result of consolidation of the optical disc market arise.

6. COMPETITIVE STRENGTHS

6.1 Accommodation Business

(a) **The Group operates in a growth industry, and has an established reputation as owner-operator of workers accommodation**

The foreign workers accommodation market that the Group operates in Singapore is characterised by demand and supply imbalances.

As an active owner-operator of purpose-built workers accommodation, the Group is also regularly evaluating potential acquisitions which provide the Group with a good knowledge of the workers accommodation industry and management practices.

The Group has been able to achieve good profits and strong operating cash flow, with a significant proportion of revenue from repeat customers. The Group believes this is due to its dual ability to both effectively manage its assets to optimise returns, and at the same time operate the accommodation in a professional manner.

(b) **The Group's Westlite established branding is recognised for its quality workers accommodation and holistic management approach**

Westlite is synonymous with providing its residents with quality workers accommodation as well as a homely and conducive living environment.

The Group regularly organises various programmes to improve the well-being of its residents. The Group arranges for free health screening by voluntary organisations for its residents from time to time, and there are also reading rooms supplied with various reading materials in the native languages of its residents, including newspapers from their home countries to enable them to keep up with the current affairs at home. Internet services are made available for residents to communicate with family and friends. The Group also organises celebrations to commemorate the national days and cultural festivals of the major nationalities that are represented in the Group's accommodation. From time to time, the Group also screens sporting programmes which are well-received by its residents.

The Group differentiates itself through its holistic management approach in providing on-site management services to its residents and clients. The Group has a team of experienced on-site officers to respond effectively and efficiently to any emergencies which may occur in the premises. Furthermore, the Group is also able to provide its clients with a list of residents who goes to work and a list of residents who is on medical leave daily.

(c) The Group's workers accommodations are generally well located with easy access to the workplace of its residents

The Group's workers accommodations are generally located in areas easily accessible by various transportation modes, such as expressways and major roads, making transport to and from its accommodations to the workplace of the Group's residents very convenient. As such, this reduces travel costs and transit time for its customers whose workers are housed at the Group's workers accommodations.

(d) The Group's workers accommodation customers operate in diverse industries

Unlike some other workers accommodations in Singapore which are only allowed to house workers from particular industries, with the exception of Westlite Tuas which is restricted to house workers from the construction industry, the Group's two other workers accommodation assets in Singapore are not restricted in this regard and may house workers from all industries. As the Group serves companies from diverse industries such as the marine, engineering, oil and gas, and construction industries, the Group is less affected by economic fluctuations or government policies affecting any one industry. Excluding Westlite Tuas, the following table is a breakdown of the industries which the Group's residents' work in Singapore:

	Industry	**Percentage (%)**
1	Manufacturing	51%
2	Construction	28%
3	Engineering	8%
4	Marine	7%
5	Oil & Gas	4%
6	Service	1%
	Total	**100%**

This diversification of customer base and ability to limit its exposure to any one industry insulates the Group, to a certain extent, from being overly reliant on any particular industry.

(e) The Group has established strong relations with its broad workers accommodation customer base

Many of the Group's existing workers accommodation customers have been housing their foreign workers with the Group for several years. The Group believes that its workers accommodation customers are satisfied with the facilities at the workers accommodation and the management and operation of the workers accommodation. The Group believes that it has good relationships with its workers accommodation customers, and constantly strives to maintain and improve on it. Currently, the Group has more than 650 customers in Singapore and Malaysia in the Workers Accommodation Business.

(f) The Group's student accommodations are strategically located close to surrounding universities

The Group's student accommodations are generally well located near its surrounding universities. In Australia, RMIT Village is strategically located on the northern edge of Melbourne's Central Business District, in a well-established education precinct on Flemington Road, in close vicinity to RMIT University and the University of Melbourne. In the United Kingdom, internationally renowned institutions such as the University of Manchester and Manchester Metropolitan University are located within a short distance from the student accommodations in Manchester, while Cathedral Campus is in close proximity to the highly regarded Liverpool John Moores University and the Liverpool Institute of Performing Arts. As such, this reduces travel costs and transit time for students who live at the Group's student accommodations.

(g) The Group's student accommodation assets have the potential for asset enhancement initiatives to enhance asset values

RMIT Village in Australia and the four student accommodation assets in the United Kingdom all offer asset enhancement opportunities to increase bed capacity, which will enhance the value of the student accommodation assets. The Group will continue to evaluate such opportunities for asset enhancement initiatives to be taken.

(h) The Group has a proven track record executed by multi-discipline professionals and an experienced management team

Details of the experience of the management team of the Group can be found at Section 10.

6.2 Optical Disc Business

(a) The Group is one of the leading market player with reputable and recognised brand and serves as a one-stop service centre to its customers

The operations of each manufacturing facilities in the region are fully integrated. It is able to provide a full range of service from pre-mastering and mastering, CD / DVD manufacture and replication, printing, packaging as well as delivery to its customers, thereby creating an advantage as it is able to better monitor and control the quality of its product. As the Group has in-house mastering facilities, the mastering cost is lower, while the quality of the product is maintained. Such integration allows the Group to be self-dependent in its production process and results in reliability of supply, shorter delivery time, greater flexibility in its operations and high quality controls.

(b) The Group produces quality products

The management exercises strict controls over the manufacturing process. As the in-house manufacturing capability is fully integrated, it enjoys certain benefits including economies of scale, quality control and reduced delivery time to market. For instance, with its fully automated replication lines, which include automated in-process quality control checkpoints, and the application of cleanroom technology to maintain high-standards of sound and read quality, the Group is able to produce CDs and DVDs that meet the stringent quality standards of its customers. With its focus in the audio and video industry, most of its customers are major record companies and major movie studio authorized licensees in the entertainment industry.

The management believes that the Group's ability to produce quality products within cost and time limits is a key factor that has contributed to the success of the Group. The Group's advertising strategy through advertisements in major trade publications over the years and its strong emphasis on product quality and reliability has built the Group's reputation among its major customers. The Group emphasizes product quality, good service and timely delivery in meeting the demands of its customers. This emphasis on good quality and competitive pricing has won the Group support from a considerable number of customers locally as well as overseas over the years.

(c) The Group is able to meet customers' requirements efficiently

The ability to deliver according to customer's requirements is key to the Group's Optical Disc Business. The optical discs are sold to companies in the entertainment industry where there is a strong demand for shorter lead-time due to the time critical factor especially for new releases. The Group has manufacturing facilities which would enable it to operate continuously for 24 hours a day, seven days a week. In doing so, the Group is well-positioned to meet its customers' delivery schedule, especially on urgent requirements. In addition, the ability to provide CD / DVD mastering services not only enables the Group to respond faster to the customer's requirements, but also allows the Group to control the quality of its products.

7. INSURANCE

The Directors are of the view that the Group has adequate insurance coverage consistent with market practices for the purpose of its business and operations.

7.1 Accommodation Business

In relation to the operations of the accommodation, the Group maintains insurance coverage for material damage and business interruption and public liability.

All the policies are in force and the premiums have been paid. These insurance policies are reviewed annually to ensure that the coverage is adequate.

7.2 Optical Disc Business

All the policies are in force and the premiums have been paid. These insurance policies are reviewed annually to ensure that the coverage is adequate.

7.3 Employees Insurance

The Group maintains insurance for its full-time employees, including hospitalisation and surgery insurance, personal accident insurance and work injury insurance.

All the policies are in force and the premiums have been paid. These insurance policies are reviewed annually to ensure that the coverage is adequate.

7.4 Other Insurance

All the policies are in force and the premiums have been paid. These insurance policies are reviewed annually to ensure that the coverage is adequate.

8. SALES AND MARKETING

The Group's sales and marketing initiatives and efforts are executed on a two prong approach, a team at the operating level as well as centralised shared services at the corporate level. This approach allows us to cross sell the Group's products and services and better serve the varied needs of the Group's customers.

The Group also maintains an ongoing relationship and dialogue with its existing customers and potential customers. Such active customer management strengthens the Group's position in customer retention and expanding its customer base.

9. AWARDS AND CERTIFICATES

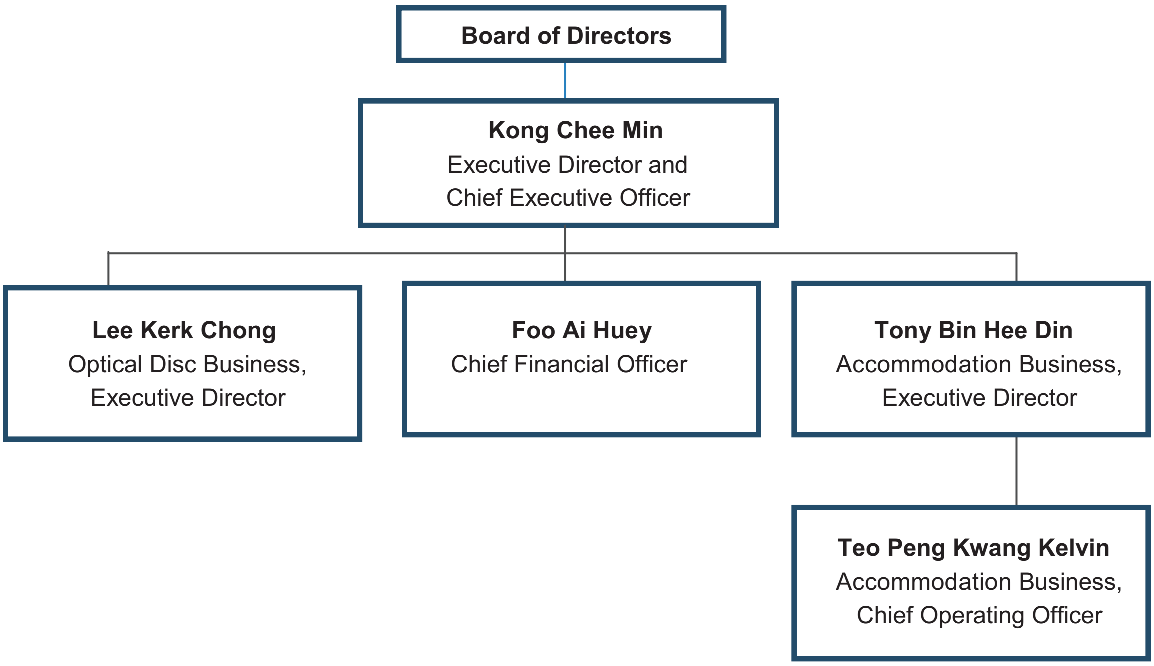
Over the years, the Group has been accorded with a number of certificates and awards, which are set out below:

Year Since	Description of Award / Certificate	Awarding Authority / Accrediting Body	Group Company
1998	ISO9001	Intertek Group Plc	Summit CD Manufacture Pte Ltd
2002	CDSA-Copyright and Licensing Verification	Content Delivery & Security Association	Summit CD Manufacture Pte Ltd
2003	ISO9001	Bureau Veritas (BV)	PT Digital Media Technology
2004	CDSA- Copyright and Licensing Verification	Content Delivery & Security Association	PT Digital Media Technology
2007	ISO14001	Intertek Group Plc	Summit CD Manufacture Pte Ltd
2008	CDSA-Content Protection and Security Program	Content Delivery & Security Association	Summit CD Manufacture Pte Ltd
2009	ISO9001	Lloyd's Register Quality Assurance Limited	Westlite Dormitory (Tuas) Pte Ltd
2013	ISO9001	Intertek Group Plc	Westlite Dormitory (Toh Guan) Pte Ltd
2013	ISO9001	Intertek Group Plc	Westlite Dormitories in Malaysia

10. DIRECTORS AND KEY MANAGEMENT

10.1 Management and reporting structure

The Group's management reporting structure as at the LPD is set out below:



10.2 Board of Directors

The Group's Board of Directors is entrusted with the responsibility of overall management of the Group. Information regarding the business and working experience of the Group's Directors are set out below:

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

Prior to joining Centurion Global 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. He is currently a director of Lifebrandz Ltd. He was also a former director of SBI Offshore Limited, CFM Holdings Limited and Hartawan Holdings Limited which he resigned on 1 December 2012, 31 October 2013 and 12 December 2013 respectively. Mr Wong holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

(b) Mr Kong Chee Min (*Executive Director and Chief Executive Officer)*

Mr Kong was appointed the Group's Chief Executive Officer in August 2011 and he oversees the operations and growth of the Group. 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, and was responsible for the Group's overseas Optical Disc Business operations and 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 23 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.

(c) 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 audio cassette tapes into an integrated optical storage media solutions provider in the region. Mr Lee's career in the media storage industry spans over 39 years and he brings his vast entrepreneurial experience and strong management skills to the Group.

(d) Mr Tony Bin Hee Din (*Executive Director – Accommodation Business*)

Mr Bin joined the Board on 1 August 2011. 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, a subsidiary of Centurion Global Limited, the ultimate controlling shareholder of the Company.

Mr Bin joined Centurion Properties Pte Ltd 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.

(e) Mr Gn Hiang Meng (*Lead Independent Director*)

Mr Gn was appointed as Non-Executive Independent Director of the Company 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 and prior to his resignation in 2001 he was the Senior Executive Vice-President in charge of investment banking and stockbroking 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 National University of Singapore. He is currently a director of Koh Brothers Group Limited, Tee International Ltd and SingHaiyi Group Limited. He was a former director of Singapore Land Limited, United Industrial Corporation Limited and United International Securities Limited.

(f) 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, in 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. He was an Independent Director of Pacific Healthcare Ltd until his resignation on 29 February 2012.

10.3 Senior Management

(a) 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 in Singapore and manages a full spectrum of finance and accounting 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 "Heath Corporation of Singapore Pte Ltd") and had also worked as an internal auditor in a Singapore listed company. She has accumulated more than 21 years of finance and accounting related experience covering internal audit, taxation, internal control, financial accounting, cost and management accounting. 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.

(b) Ms Lee Geok Ing Janice (*Group HR and Admin Manager*)

Ms Lee was first appointed to the Board on 11 August 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 and Admin Manager, she currently oversees the Group's human resource development, administration, security and facilities management. Ms Lee is equipped with more than 29 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 becoming part of the Group.

(c) 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 currently responsible for the day-to-day operations and expansion of the Group's workers 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 27 years of development and management experience in the property and workers accommodation business. Prior to 2007, Mr Teo was involved in the operations of various workers accommodation assets 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.

(d) Mr Ho Lip Chin (*Director, Investments – Accommodation Business*)

Mr Ho joined the Group in January 2012 as Director, Investments. He is responsible for expanding the Group's Accommodation Business and assists in strategic planning.

Mr Ho has over 15 years of regional experience in real estate and hospitality industries across Asia Pacific. Prior to joining the Group, he was the Director, Real Estate at Centurion Properties Pte Ltd, where he was involved in its real estate investments and workers accommodation business.

Mr Ho had also previously worked with such global companies as 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.

(e) Mr Leong Siew Fatt (*Group Technical and Operations Director – Optical Disc Business*)

Mr Leong started as an engineer in the Group for four years before being promoted to the position of Group Technical Manager in 1997. He then took up the appointment for his current role in 2001, and now oversees the Group's technical and optical disc manufacturing operations.

Mr Leong has extensive technical and factory operations experience spanning over 29 years which includes working with the Singapore Armed Forces and several private organisations. In addition to his role, Mr Leong also oversees the day to day operations of the Group's Accommodation Business in Malaysia as General Manager. He graduated with a Bachelor of Engineering Management degree from the University of Western Sydney.

(f) Mr Yeo Boon Hing David (*Group Regional Sales and 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 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 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.

(g) Mr Haryadi Handoko (*Executive Director of PT Digital Media Technology – Optical Disc Business*)

Mr Haryadi Handoko first joined the Group's subsidiary in Indonesia, 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 DMTtech.

Mr Haryadi has over 14 years of sales and marketing experience. Prior to joining the Group, he worked with MNCs and International Corporations 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.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected consolidated financial information as of and for the years ended 31 December 2011 (FY2011), 31 December 2012 (FY2012) and 31 December 2013 (FY2013) has been derived from the audited financial statements of the Group and the unaudited financial information for the half-year ended 30 June 2014 (1H2014) and half-year ended 30 June 2013 (1H2013) (restated) as announced by the Group on 14 August 2014.

Notes:

1. *With effect from 2Q2013, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost to fair value model, with the changes in fair values recognised in the statement of comprehensive income. The change in accounting policy was applied retrospectively and accordingly, the comparative unaudited financial information was restated.*

2. *The net profit of S$26.12 million reflected for FY2011 in the consolidated income statement and the consolidated statement of comprehensive income contained in this Section takes into account the one-off goodwill impairment amounting to S$12.97 million and one-off reverse acquisition expense of S$0.1 million in FY2011. If the one-off goodwill impairment and reverse acquisition expense are not taken into account, the Group would have posted a net profit of S$39.19 million for FY2011.*

11.1 Consolidated income statement

	Unaudited		Audited	Unaudited	
	1H2014 S$'000	**1H2013 S$'000 (Re-presented)**	**FY2013 S$'000**	**FY2012 S$'000 (Restated)***	**FY2011 S$'000 (Restated)***
Revenue	37,439	27,743	66,432	65,231	30,044
Cost of sales	(13,368)	(12,515)	(31,707)	(33,714)	(13,826)
Gross Profit	24,071	15,228	34,725	31,517	16,218
Other income	490	836	1,681	1,718	645
Expenses					
- Distribution	(628)	(634)	(2,021)	(2,013)	(1,062)
- Administrative	(7,050)	(4,359)	(12,153)	(11,031)	(4,431)
- Finance	(3,226)	(783)	(2,527)	(1,980)	(847)
Share of profit/(loss) of associated companies and joint venture	19,871	19,940	37,173	(2,753)	12,945
Profit before other losses and fair value gain	33,528	30,228	56,878	15,458	23,468
Other gains/(losses)-net	-	(3,420)	(4,305)	550	(12,964)
Fair value gain on Group's investment properties	-	36,427	43,122	3,127	17,108
Profit before income tax	33,528	63,235	95,695	19,135	27,612
Income tax expense	(3,153)	(2,149)	(3,537)	(3,138)	(1,493)
Profit from continuing operations	30,375	61,086	92,158	15,997	26,119
Discontinued operations[#]					
Loss from discontinued operations	(62)	(1,262)	-	-	-
Total profit	30,313	59,824	92,158	15,997	26,119
Profit attributable to:					
Equity holders of the Company	30,313	59,824	92,158	15,218	26,127
Non-controlling interests	-	-	-	779	(8)
	30,313	59,824	92,158	15,997	26,119
Earnings per share attributable to equity holders of the Company					
- Basic	4.01 cents	7.91 cents	12.19 cents	2.01 cents	4.82 cents
- Diluted	3.91 cents	7.91 cents	12.17 cents	2.01 cents	4.82 cents

11.2 Consolidated statement of comprehensive income

	Unaudited		Audited	Unaudited	
	1H2014 S$'000	1H2013 S$'000	FY2013 S$'000	FY2012 S$'000 (Restated)*	FY2011 S$'000 (Restated)*
Net profit for the period	30,313	59,824	92,158	15,997	26,119
Other comprehensive income/ (loss):					
Items that may be reclassified subsequently to profit or loss:					
Financial assets, available-for-sale					
Fair value (losses)/gain	(48)	(99)	271	(31)	(34)
Reclassification from fair value reserve to profit for the period	153	-	-	-	-
Currency translation differences arising from consolidation					
Gain/(losses)	2,461	(1,230)	(3,426)	(1,651)	110
Other comprehensive income/ (loss), net of tax	2,566	(1,329)	(3,155)	(1,682)	76
Total comprehensive income	32,879	58,495	89,003	14,315	26,195
Total comprehensive income attributable to:					
Equity holders of the Company	32,879	58,495	89,003	13,536	26,203
Non-controlling interests	-	-	-	779	(8)
	32,879	58,495	89,003	14,315	26,195

11.3 Balance sheet

	Unaudited	Audited	Unaudited	
	1H2014	FY2013	FY2012	FY2011
	S$'000	S$'000	S$'000	S$'000
			(Restated)*	(Restated)*
ASSETS				
Current assets				
Cash and cash equivalents	68,073	44,374	41,027	38,584
Trade and other receivables	9,317	11,195	14,065	18,829
Inventories	661	994	1,592	2,497
Other current assets	1,813	11,083	1,854	1,868
	79,864	67,646	58,538	61,778
Non-current assets				
Trade and other receivables	-	-	-	9,550
Other non-current assets	265	265	-	-
Financial assets, available-for-sale	2,473	2,521	4,250	4,281
Investments in associated companies	1,383	1,348	1,363	1,364
Investment in a joint venture	63,421	52,569	15,438	18,232
Investment properties	458,603	368,712	211,523	151,545
Property, plant and equipment	9,439	6,019	12,264	10,681
Deferred income tax assets	92	91	91	-
Intangible assets	14,203	16,673	21,676	64
	549,879	448,198	266,605	195,717
Total assets	629,743	515,844	325,143	257,495
LIABILITIES				
Current liabilities				
Trade and other payables	29,028	25,850	26,186	18,392
Current income tax liabilities	6,330	6,908	6,253	2,652
Borrowings	16,963	17,357	12,710	3,697
	52,321	50,115	45,149	24,741
Non-current liabilities				
Borrowings	256,426	168,833	63,290	34,022
Other liabilities	306	871	929	1,940
Deferred income tax liabilities	2,810	3,104	4,371	807
	259,542	172,808	68,590	36,769
Total liabilities	311,863	222,923	113,739	61,510
NET ASSETS	**317,880**	**292,921**	**211,404**	**195,985**
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	89,836	89,431	89,431	89,431
Other reserves	14,900	12,334	15,489	17,171
Retained profit	213,144	191,156	102,358	89,408
	317,880	292,921	207,278	196,010
Non-controlling interests	-	-	4,126	(25)
Total equity	317,880	292,921	211,404	195,985

* *Certain comparative figures of the Group for FY2012 and FY2011 have been restated to reflect the change in accounting policy for investment properties from cost to fair value model.*

\# *Comparative figures for FY2013, FY2012 and FY2011 on Discontinued operations are not readily available as at the LPD. The Group's discontinued operations arises from the discontinuing of Australian optical business which was sold off during 2Q 2014.*

11.4 Financial Review

<u>Half year 2014 review – 1H FY2014 vs 1H FY2013</u>

The Group registered an increase of 35% in revenue from S$27.7 million in 1H 2013 to S$37.4 million in 1H 2014. The Group's Accommodation Business achieved a 46% growth or S$10.5 million increase in revenue compared to the corresponding period last year due to the continued expansion of the Group's accommodation assets. The Group's Optical Disc Business however, experienced a decrease of 15% or S$0.8 million, due to continuing weak demand from its customers for physical optical disc media.

Gross profit for the Group in 1H 2014 improved by S$8.8 million which is an increase of 58% compared to 1H 2013 on the back of higher revenue contribution from the Accommodation Business.

Administrative expenses rose by S$2.7 million as a result of higher salary costs and professional fees associated with the expansion of the Accommodation Business.

Finance costs, which increased by S$2.4 million, mainly as a result of the interest expense incurred for the medium term notes issued in October 2013.

Share of the results of associates and jointly controlled entities included the recognition of profits from the sales of industrial property development, M Space, which amounted to S$17.3 million in 1H 2014. The results of 1H 2013 included the Group's share of the fair value gain on its joint venture's investment properties of S$19.5 million.

Other losses of S$3.4 million in 1H 2013 were related to the one-off impairment charge on the Group's optical disc plant and equipment.

The fair value gain on investment properties of S$36.4 million in 1H 2013 comprises the change in fair value since the end of FY2012. Moving forward, the Group shall engage independent valuers to re-assess the fair value of the investment properties at the end of each financial year.

Overall, the Group posted a net profit of S$30 million in 1H 2014 for its continuing operations; however, excluding the profits from the sales of M Space, its total net profit was S$13.1 million. This is an improvement of 52% or S$4.5 million compared to a net profit of S$8.6 million in 1H 2013 after excluding the total fair value gains of S$55.9 million and an one-off impairment charge of S$3.4 million. The Group's Accommodation Business accounted for the entire S$30 million of net profit in 1H 2014 as its Optical Disc Business broke even for the period. The Optical Disc Business contributed approximately S$0.4 million towards the Group's cash flow in 1H 2014.

The Group experienced a slight loss for the discontinued Australian operations of S$0.1 million in 1H 2014, as compared to S$0.8 million loss period-on-period after excluding the S$0.5 million impairment charge in 1H 2013.

<u>FY2013 versus FY2012</u>

For the full year 2013, revenue increased from S$65.2 million in FY2012 to S$66.4 million. The Group's Accommodation Business achieved a 26% growth in FY2013 or a S$9.9 million increase in revenue compared to last year. This was largely contributed by the continued expansion of the Group's workers accommodation assets in Malaysia as well as the growth in rental rates in Singapore. The Optical Disc Business, however, registered a decrease of S$8.7 million or a 31% decline in revenue as demand for the Group's physical optical disc media from its customers continued to weaken.

Gross profit for FY2013 improved by S$3.2 million or 10% as compared to FY2012 as a result of the increased revenue contribution from the Accommodation Business.

Administrative expenses increased due to the expansion of the Accommodation Business.

Finance expenses increased by S$0.5 million primarily due to the accrued interest from the S$100 million MTN issue, which was offset by the lower amount of interest costs from bank borrowings.

Share of the results of associates and jointly controlled entities turned around from a S$2.8 million loss to a S$37.2 million profit due to the share of fair value gains of S$34.1 million on its Mandai investment property and the share of its net profits of S$3.1 million derived from the operations of the Mandai workers accommodation started in April 2013.

Other losses of S$4.3 million mainly relate to an one-off impairment charge of S$3.9 million on its optical disc plant and equipment.

A fair value gain on Group's investment properties of S$43.1 million was recognised in FY2013 and comprised the change in fair value since the end of the last financial year.

Overall, the Group posted a net profit of S$92.2 million for FY2013. Excluding the total fair value gains derived from the Group's and the joint venture's investment properties of S$77.2 million and the one-off impairment charge of S$3.9 million, the Group's net profit in FY2013 was S$18.8 million. This was an improvement of 23% or S$3.5 million over last year. Out of the total of S$18.8 million, the Group's Accommodation Business contributed S$19.6 million, a growth of 43% or an increase of $5.9 million over FY2012. On the other hand, the Group's Optical Disc Business suffered a loss of S$0.8 million in FY2013 as compared to a net profit of S$1.5 million in FY2012. Despite the loss in the Optical Disc Business, it had contributed about S$1.2 million towards the Group's operating cash flow in FY2013.

FY2012 versus FY2011

The Group's revenue doubled from S$30.04 million in FY2011 to S$65.23 million in FY2012. This increase of S$35.19 million was attributable to the following:

(a) an increase of S$10.80 million due to the inclusion of twelve months' revenue from the Group's Optical Disc Business in FY2012 as opposed to only five months' revenue inclusion in FY2011; and

(b) an increase of S$24.39 million due to the contributions from the new accommodations acquired during the year and an increase in accommodation rental rates at Westlite Dormitory (Toh Guan) Pte Ltd.

Accordingly, gross profit for FY2012 improved by S$15.3 million or 94% in comparison with FY2011.

Miscellaneous gains of S$2.27 million for FY2012, which include twelve months results from the Group Optical Disc Business, consisted mainly of other rental, interest and dividend income. The S$0.65 million for FY2011 included only five months of the Optical Disc Business.

Distribution cost of S$2.01 million for FY2012 was mainly attributable to the sales and marketing expenses of the Group's Optical Disc Business for twelve months' of operation as compared to only five months of the Group's Optical Disc Business distribution cost of S$1.06 million included for FY2011. Distribution cost incurred has effectively reduced which is in line with the reduction in sales.

Administrative cost for FY2012 rose by S$6.6 million. The additional seven months of optical disc operations accounted in FY2012 accounts for S$3.89 million of this increase compared to FY2011. The remaining administrative cost increase was attributed to expenses incurred in the acquisition of new accommodations and expansion of the Group's Accommodation Business.

Finance expenses grew in line with the increased borrowings made by the Group to finance its acquisitions.

The other expenses in FY2011 was largely due to the one-off impairment charge of S$12.97 million made on goodwill that arose as a result of the full impairment of the reverse acquisition accounting recognised in FY2011.

The share of losses from associated companies and joint venture of S$2.75 million was mainly due to a fair value change on joint ventures' investment properties of S$2.43 million loss (FY2011: S$13.62 million gain) and a S$0.32 million loss, mainly from marketing costs incurred in the sales of factory units by Lian Beng-Centurion ("**Joint Venture**"). Revenue from the sales of these factory units will be recognised by the Joint Venture when the development is completed.

The Group changed its accounting policy for investment properties from cost to fair value model with effect from 1H FY2013. The change was applied retrospectively and accordingly, the financial statements of FY2012 and FY2011 were restated. The fair value gain on the Group's investment properties of S$3.13 million (FY2011: S$17.11 million); and fair value changes on joint ventures of S$2.43 million loss (FY2011: S$13.62 million gain) were recognized. Fair value change on joint ventures were recognized in share of profit/(loss) of associated companies and joint ventures (net).

As a result of the above, the Group posted net profit of S$16.0 million for FY2012, compared to S$26.12 million (or adjusted net profit of S$39.19 million, excluding the one-off goodwill impairment amounting to S$12.97 million and one-off reverse acquisition expense of S$0.1 million) in FY2011. The Group's Accommodation and Optical Disc Businesses contributed approximately S$13.76 million and S$1.54 million to the FY2012 overall net profit respectively.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Notes. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme.

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies, the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

RISKS RELATING TO NOTES

Limited Liquidity of the Notes issued under the Programme

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have a severely adverse effect on the market value of Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Fluctuation of the Market Value of Notes

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of the Issuer, its subsidiaries and/or its associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or its associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or its associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of the Issuer, its subsidiaries and/or its associated companies.

Interest Rate Risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, bond prices may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation Risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

The Notes are not secured

The Notes and the Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present or future.

Accordingly, on a winding-up of the Issuer at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system (a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Notes.

While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the Clearing Systems. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to CDP or such other clearing system, as the case may be, for distribution to their account holders. A holder of beneficial interest in the Global Notes must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Paying Agents and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstance, be able to fulfill its obligations to the Noteholders and the Couponholders.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (pursuant to Condition 10), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

Provisions in the Trust Deed and the Conditions of the Notes may be modified

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed which is in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

Singapore Taxation Risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "Singapore Taxation".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/ OR RESULTS OF OPERATIONS

GENERAL RISKS RELATING TO THE GROUP

The Group may fail to successfully implement its growth and expansion strategies

The Group intends to explore and/or pursue various expansion and growth initiatives. Its growth and future success will be dependent on, amongst others, the successful completion of such expansion and growth initiatives proposed to be undertaken by the Group and the sufficiency of demand for its services. There is no assurance that these initiatives undertaken will achieve results that commensurate with the Group's investment costs or that the Group will be successful in securing new customers. Should the Group fail to implement its expansion plans or there is insufficient demand for its services, the Group's business, results of operation and financial position will be materially and adversely affected.

The Group may face uncertainties associated with the expansion of its business

The Group intends to explore strategic alliances, acquisitions or investment opportunities (in Singapore and overseas) in businesses that are complementary to its business. Expansion involves numerous risks, including but not limited to the financial costs of setting up overseas operations and working capital requirements. There can be no assurance that the Group's expanded operations will achieve a sufficient level of revenue which will cover its operational costs and if the Group fails to manage such costs, its profitability and financial position may be adversely affected.

Participation in strategic alliances, acquisitions or investments similarly involves numerous risks, including but not limited to difficulties in assimilation of the management, operations, services, products and personnel and the possible diversion of management attention from other business concerns. The successful implementation of the Group's growth strategies depends on the Group's ability to identify suitable partners and the successful integration of their operations with the Group. There can be no assurance that the Group will be able to execute such growth strategies successfully and as such, the performance of any strategic alliances, acquisitions or investments could fall short of expectations.

The Group is dependent on certain key personnel for its continued success

The Group's success to date is attributable to the contributions and expertise of its Directors, management and key officers who have contributed towards the success of the Group. The Group's continued success and growth will depend, to a large extent, on its ability to retain the services of its directors, management and key officers. The loss of the services of its Directors, management and key officers without suitable and timely replacement, or the inability to attract and retain other qualified personnel, would have an adverse effect on the Group's operations and financial performance.

The Group faces risks associated with debt financing and may require additional financing in future

The Group is subject to the risks associated with debt financing, including the risk that its cash flow will be insufficient to meet required payments of principal and interest under such financing.

The Group may need to obtain additional debt or equity financing to fund its business operations, acquisitions or capital expenditure in the future. Additional debt financing may include conditions that would restrict the Group's freedom to operate its business, such as conditions that:

(i) limit the Group's ability to pay dividends or require the Group to seek the lenders' consent for payment of dividends;

(ii) impose restrictions on acquisitions of new businesses;

(iii) require the Group to set aside a portion of cash flow from business operations towards repayment of the Group's debt, thereby reducing the availability of the Group's cash flow to fund capital expenditure, working capital and other general corporate purposes; and/or

(iv) limit the Group's flexibility in planning for, or reacting to, changes in the Group's business and industry.

The Group cannot ensure that it will be able to obtain any additional financing on terms that is acceptable to the Group, or at all. Failure to obtain additional financing on favourable terms will result in the Group foregoing expansion opportunities and this could affect the Group's business materially and adversely.

Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect the Group's cash flow. An increase in interest rates, especially for a prolonged period, could have a material and adverse effect on the Group's business and financial performance.

The Group may be affected by changes to tax laws and tax rates

There is no assurance that the taxes which the Group is subject to will remain as forecast and projected. The Group's tax expenses may increase due to reasons including but not limited to the following:

(i) increase in applicable tax rates;

(ii) changes to the basis of assessment for the applicable taxes; and

(iii) changes to the tax legislation.

There can be no assurance that should the taxes increase, such increase will not have a significant impact on the Group's business and financial position.

The Group faces foreign exchange risks

To the fullest extent possible, the Group matches its sales and purchases in the same foreign currency. To the extent that the Group's sales, purchases and operating costs are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, as the case may be, the Group will be exposed to adverse fluctuation of the various currencies and as a result, its earnings may be adversely affected.

The uncertain global economic outlook may adversely affect the Group's business operations, financial condition, prospects and future plans

Since 2008, disruption in global credit markets, coupled with a re-pricing of credit risks, and a slowdown in the global economy have created increasingly difficult conditions in the financial markets. These developments have resulted in historic volatility in equity securities markets, tightening of liquidity in credit markets, widening of credit spread and loss of market confidence. Most recently, these developments have resulted in the failure of a number of financial institutions in the United States and unprecedented actions by governmental authorities and central banks around the world. There is a potential for new laws and regulations regarding lending and funding practices and liquidity stands, and governments and bank regulatory agencies are expected to be aggressive in adopting such new measures in response to concerns and identified trends. It is difficult to predict how long these developments and measures will exist and how the Group's markets and businesses may be affected. These developments may be exacerbated by persistent volatility in the financial sector and the capital markets or concerns about, or a default by, one or more institutions which could lead to significant market wide liquidity problems, losses or defaults by other institutions.

Accordingly, these developments and measures could potentially present risks to the Group for an extended period of time, including a slowdown in securing new customers, increase in interest expenses on the Group's bank borrowings, or reduction of the amount of banking facilities currently available to us, the Group's customers and suppliers, thereby adversely affecting the Group's future financial performance or results of operations.

The Group may be adversely affected by changes in the social, economic or political conditions locally and globally

The Group's business may be materially and adversely affected by local and global developments in relation to inflation, bank interest rates, government policies and regulations and other conditions which impact on social, economic and political stability. The Group has no control over such conditions and developments and there is no assurance that such conditions and developments will not occur and adversely affect the Group's operations.

The Group's business operations may be affected by an outbreak of severe acute respiratory syndrome ("SARS") or an outbreak of any other contagious or virulent disease

The outbreak of SARS or other contagious or virulent diseases in Singapore, Malaysia, Australia or other parts of the world will disrupt global and regional businesses. Such an outbreak will have a material adverse effect on the Group's operations, as well as the operations of its customers, such as the shutting down of the accommodation and quarantining residents in the event the residents in the Group's accommodation are infected with SARS or other diseases to prevent the spread of such diseases. In addition, the suspension of operations by the Group's customers may result in cashflow problems for them, potentially leading to a delay or default in payment of rental to the Group. If any of these should arise, the Group's business and results of operations would be adversely affected.

The Group's acquisition or future acquisitions may be subject to risks and may not yield expected returns

While the Group believes that reasonable due diligence investigations and feasibility studies have been conducted with respect to its property, there can be no assurance that the Group's property or future acquisitions will not have defects or deficiencies requiring significant capital expenditure, repair or maintenance costs, or payment or other obligations to third parties. Certain building defects and deficiencies may be difficult or impossible to ascertain due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

The Group's properties may be affected by contamination and other environmental issues

The Group's properties may from time to time be affected by contamination or other environmental effects as a result of accidents or because such contamination or defects may not have been previously identified and/or rectified.

This raises a number of risks including:

(i) the risk of prosecution by environmental authorities;

(ii) the requirement for unbudgeted additional expenditure to remedy such issues; and

(iii) the adverse impact on the financial position of tenants arising from the above, affecting their ability to trade and to meet their tenancy obligations.

Development of properties for the Group will increase the Group's exposure to construction risks

Delays in completion of the construction of the Group's properties can arise due to several factors, including adverse weather conditions, shortage of construction materials, equipment and/or labour, accidents and disputes with the Group's contractors. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability. Further, in a sale situation, any delay in project completion may also expose the Group to claims for liquidated damages from purchasers.

In the event of a shortage of raw materials, labour and/or construction equipment to the Group, the costs of such raw materials, equipment and labour may increase and the Group's costs of development may exceed its initial projections, thereby affecting its profitability or even causing the Group to suffer a loss. If the Group is unable to pass on such cost increases to its customers or find alternative sources of cheaper supplies, the Group's financial performance will be adversely affected.

Furthermore, the Group faces the risk of accidents involving its employees, residents or third parties at its development sites. If accidents occur but are not covered by the Group's insurance policies, or if claims arising from such accidents are in excess of its insurance coverage and/or any of its insurance claims are contested by its insurers, the Group will be required to pay compensation and its financial performance may be adversely affected.

Such accidents could also have an adverse impact on the Group's operations if the Group is required by regulatory manpower authorities to suspend its operations for a period of time. This may result in fines or delays in project completion and possibly, cost overruns or liquidated damages, which will in turn affect the Group's profitability. Such accidents could damage the Group's reputation and may, as a result, lead to a loss of business.

The Group may suffer material losses in excess of insurance proceeds or the Group may not put in place or maintain adequate insurance in relation to the Group's properties and its potential liabilities to third parties

The Group's properties would face the risk of suffering physical damage caused by fire, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Group's properties.

In addition, certain types of risks (such as war risk, terrorist acts and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk (for example war, terrorist acts, outbreak of contagious diseases, contamination or other environmental breaches).

Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected industrial property. The Group will also be liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

The value of the Group's properties might be adversely affected if the Group does not provide adequate management and maintenance

Should the Group fail to provide adequate management and maintenance, the value of the Group's properties might be adversely affected and this may result in a loss of tenants, which will adversely affect the Group's financial position, results of operations, cash flows and prospects.

Renovation or redevelopment works or physical damage to the Group's properties may disrupt the operations of the properties and collection of rental income or otherwise have an adverse impact on the financial condition of the Group

The properties owned by the Group may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations.

In addition, physical damage to the Group's properties resulting from fire, industrial accidents or other causes may lead to a significant disruption to the business and operation of the Group's properties and, together with the foregoing, may impose unbudgeted costs on the Group and result in an adverse impact on the financial condition and results of operations of the Group, especially if the claims exceeds the insurance coverage.

RISKS RELATING TO GEOGRAPHICAL EXPANSIONS TO THE NEW MARKETS

The Group has a limited track record in the New Markets

While the Group has acquired workers accommodation projects located in Singapore and Malaysia for the Workers Accommodation Business as well as a student accommodation asset in Australia and the acquisition of a portfolio of student accommodation assets in the United Kingdom for the Student Accommodation Business, the Group has yet to embark on the Student Accommodation Business or the Workers Accommodation Business in any of the other New Markets. Additionally, the Group's operations in respect of the Student Accommodation Business and the Workers Accommodation Business are currently confined to Singapore, Malaysia, Australia and the United Kingdom. The Group therefore does not have a substantive operating track record in each of the New Markets in respect of the Workers Accommodation Business and the Student Accommodation Business for holders to assess and evaluate its future performance. Noteholders should also note that the Group's past operating results are derived from operations which do not relate to its operation in the New Markets and which consequently may not be indicative of the Group's future financial performance.

The Group will be subject to the laws, regulations and policies of the governments of the New Markets as well as existing social, economic or political conditions in the New Markets and may also be adversely affected by future changes in such laws, regulations, policies and conditions

The Group's Student Accommodation Business and the Workers Accommodation Business operations will be subject to the legal and regulatory framework in the New Markets (in addition to legal and regulatory requirements in the current markets in which the Group conducts such businesses). Laws and regulations governing business entities in the New Markets may be subject to a number of possibly conflicting interpretations, both by business entities and by the courts.

The relative efficiency of the legal framework and the dispute resolution systems available to the Group in the New Markets will have an impact on the Group's business, financial condition and results of operations. A less efficient dispute resolution system in any of the New Markets would likely prolong the period of disputes, during which the Group is unable to receive income from its workers and student accommodation, which would have a material adverse effect on the Group's business, financial condition and results of operations.

Any amendment or change in the existing laws, regulations, policies and conditions in the New Markets may adversely and directly affect the Group's financial condition, results of operations and profitability. For example, the Group's operations in the New Markets will be taxed in compliance with relevant laws and regulations. If there is a change in the tax laws, regulations, policies or conditions, concessions and treatment (including any retrospective change of the basis or to the agreement reached with the relevant governments as aforesaid), the Group's taxation expenses may be affected adversely, resulting in a material and adverse effect on the Group's financial condition and financial performance.

In certain of the New Markets, title to any land or property is held under a limited term of lease or land use right granted by the government authorities, subject to a number of specific conditions. Such conditions may include the completion of the relevant development projects according to a specified schedule and attaining a certain threshold of construction. The failure to comply with such conditions imposed by the government authorities could result in the government authorities imposing penalties or modifying the terms of the lease or land use right granted or, in extreme cases, taking back the granted lease or land use right without compensation. This may affect the business, financial condition and the results of operations of the Group. There might separately be a negative impact on the Group's operations and properties in the New Markets as a result of measures and policies adopted by the relevant foreign governments and regulatory authorities at national, provincial or local levels, such as government control over property investments or regulations in relation to foreign exchange.

There is also no assurance that the Group will be able to repatriate to Singapore the income and gains derived from its workers and student accommodation in the New Markets on a timely and regular basis, due to foreign exchange controls which may be imposed from time to time. Any inability to repatriate the income and gains from the New Markets to Singapore will have an adverse effect on the Group's financial condition, results of operations and profitability.

The Group is exposed to operational risks which may be more acute in the New Markets

The Group may be a new entrant in the New Markets in respect of both the Workers Accommodation Business and the Student Accommodation Business. An overseas expansion involves numerous risks, including but not limited to the financial costs of setting up overseas operations and working capital requirements. As each New Market has a unique business framework, operating conditions will generally vary from one New Market to another. The Group's lack of relative familiarity with such conditions may result in the Group incurring additional costs in order to deal with exigencies which it may not be able to foresee. There can be no assurance that the Group's expanded operations will achieve a sufficient level of revenue which will cover any increased operational costs in the New Markets and if the Group fails to manage such costs, its profitability and financial position may be adversely affected. There are no firm projects at the moment in the New Markets although the Group is presently evaluating further opportunities in these countries.

In embarking on acquisitions in the New Markets, the Group will be subject to property market conditions in the New Markets generally and in particular, the provinces where its property developments will be located. Currently, reliable and up-to-date information is generally not readily available in certain of the New Markets, on the amount and nature of property development and investment activities, the demand for such development, the supply of new properties being developed or the availability of land and buildings suitable for development and investment. The Group will accordingly have to adapt in a timely and cost-efficient manner to its customer needs as well as the general business framework in each New Market.

The Group's growth strategy in the New Markets is partly contingent on its ability to identify suitable business partners to form strategic alliances or joint ventures with and the successful implementation of such strategic alliances or joint ventures

In order to facilitate its entry into the New Markets, the Group also intends to explore strategic alliances, acquisitions or investments with partners in the New Markets that are complementary to the Workers Accommodation Business and/or the Student Accommodation Business. Participation in strategic alliances, acquisitions or investments similarly involves numerous risks, including but not limited to difficulties in assimilation of the management, operations, services and personnel and the possible diversion of management attention from other business concerns. The successful implementation of the Group's growth strategy for the New Markets depends on the Group's ability to identify suitable partners and the successful integration of their operations with the Group. There can be no assurance that the Group will be able to execute such growth strategies successfully and as such, the performance of any strategic alliances, acquisitions or investments could fall short of expectations.

The Group will be exposed to risks associated with exchange rate fluctuations between the currencies of the New Markets and the Singapore dollar markets in which the Group engages in business

The Group will be making investments in assets located in the New Markets, which will be denominated in foreign currencies. The Group's revenue from operating the Workers Accommodation Business and the Student Accommodation Business will similarly be denominated in the currencies of the New Markets in which it is engaged. However, the Group maintains its financial statements in Singapore dollars, declares Singapore dollar dividends and the Company's share price is in Singapore dollars. A substantial proportion of the Group's expenses and liabilities are also denominated in Singapore dollars. The Group will therefore be exposed to risks associated with exchange rate fluctuations between the Singapore dollar and the currencies of the New Markets in which it may invest in the future. Should the Singapore dollar appreciate in value against the currencies of the New Markets in which the Group invests, there may be a material adverse effect on the Group's net asset value, results of operations and profitability. While the Group may enter into hedging transactions to protect itself or its portfolio from, amongst other things, the effects of exchange rate fluctuations between the Singapore dollar and such other currencies such as interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements, these hedging activities may not have the desired beneficial impact on the results of operations or financial condition of the Group, and may not completely insulate the Group from the risks associated with changes in interest rates and exchange rates. In addition, hedging activities involve risks and costs, including transaction costs, which may reduce overall returns. The Group will regularly monitor the feasibility of engaging in such hedging transactions taking into account the cost of such transactions.

The Group may be subject to risks relating to the operation of business in developing countries in the Middle East

In conducting both the Workers Accommodation Business and the Student Accommodation Business in certain emerging markets in the Middle East, the Group is subject to political, economic, legal, operational and other risks arising from operating in these countries. These risks may include, amongst others:

- civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- default by government bodies who may be the only authorized trading counterparties in certain regulated markets;
- relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counterparties;
- changes in duties payable and taxation rates;
- imposition of restrictions on currency conversion or the transfer of funds;
- fluctuation in the currency values;
- limitations and/or bans on imports and exports;
- expropriation or nationalisation of private enterprises or confiscation of private property or assets;
- reversal or change of laws, regulations or policies; and
- relatively less developed business and communication infrastructure which may hamper the Group's efficiency and internal controls.

Should any of the aforementioned risks materialise and they either exceed the coverage of, or are not covered by, the Group's insurance policies, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group may require additional financing for working capital requirements in relation with expanding into the New Markets

Projects undertaken pursuant to the proposed geographical expansions in the New Markets may require substantial working capital and cash outlay. The Group may need to use cash from operations, or incur additional borrowings or obtain additional debt or equity financing for the increase in working capital levels or for the funding of these projects. Additional equity financing may lead to a dilution in the interests of the Shareholders and reduce dividends payable (if any) on a per Share basis. Should additional borrowings or debt financing be required or if cash from operations is used, the Group's ability to pay dividends (if any) may be restricted due to a reduction in the Group's available cash due to interest payments and/or principal repayments and/or restrictive covenants pertaining to the payment of dividends. Such financing may also increase the Group's vulnerability to economic and industrial conditions due to increased demands on its operating cashflow.

Further, there is no assurance that the Group will be able to obtain additional financing on terms that are acceptable to it, or at all. The Group's ability to obtain bank financing or to access the capital markets for future offerings of equity, debt or convertible securities may be limited by its financial position at the time of any such financing or offering, limitations imposed by its existing credit facilities, as well as by adverse market conditions resulting from, *inter alia*, general economic conditions and contingencies and uncertainties that are beyond its control.

GENERAL RISKS RELATING TO ACCOMMODATION BUSINESS

The Group faces competition from its competitors and new entrants

The Group may face competition and price-cutting pressures from its competitors. Further, such competition may increase due to the entry of new players in the workers accommodation industry, student accommodation industry, or completion of new accommodation developments. If the Group is unable to respond competitively, the occupancy rate at the Group's accommodation could fall and the Group's profitability and financial performance will be adversely affected.

Any failure by the Group to compete effectively with its existing and future competitors and to adapt to changing market conditions and trends and remain competitive will adversely affect the demand for its business, results of operations and financial condition.

The Group is exposed to increases in property expenses and other operating costs

Factors that could increase the Group's property expenses and other operating expenses include:

(i) increases in property taxes and other statutory charges;

(ii) changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;

(iii) increase in insurance premiums;

(iv) increase in the rate of inflation;

(v) increase in labour costs;

(vi) increase in repair and maintenance costs; and

(vii) increase in management costs and utility charges.

There can be no assurance that should the property expenses and operating expenses increase, such increase will not have a significant impact on the Group's business and financial position.

Losses or liabilities from latent building or equipment defects may adversely affect the Group's business and financial performance

Whilst the Group has not experienced any material building or equipment defects (other than that arising from normal wear and tear) since 2008, any design, construction or other latent property or equipment defects in the Group's accommodation assets, should they arise, may require additional capital expenditure, special repair or maintenance costs or the payment of damages or other obligations to third parties.

Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group's earnings and cash flows.

The contractual representations, warranties and indemnities given to the Group by the vendor of the Group's accommodation assets have already lapsed. In addition, statutory representations, warranties and indemnities given to the Group by the vendor of accommodation or statutory or contractual representations, warranties and indemnities given to the Group by any supplier of equipment may not accord satisfactory protection from costs or liabilities arising from such property or equipment defects.

Furthermore, if the Group is unable to repair any latent defects in its accommodation or carry out structural repairs, there may be an impact on its ability to rent out the units at the accommodation, which will have an adverse impact on the Group's business and financial performance.

The Group is exposed to the risk of loss from natural disasters and other events outside its control that affect the place where its accommodation are or may be located

The Group faces the risk of loss or damage to its accommodation or properties that the Group may own or lease from time to time due to riots, fire, theft and natural disasters including but not limited to earthquakes and floods. The occurrence of any of the aforesaid where the Group's properties or customers are located could interrupt its business. Such events may cause disruptions or cessation in the Group's operations, and thus adversely affect its financial results.

The Group may be affected by legal proceedings which may arise from its development of accommodation

The Group may be involved in disputes with various parties involved in the development of new accommodation projects or upgrading of its existing accommodation such as contractors, subcontractors, suppliers, construction companies and other parties. Such disputes may lead to legal or arbitration proceedings, and may cause the Group to suffer additional costs and delays. In addition, whilst the Group do not currently have and have not previously had disputes or disagreements with regulatory bodies during the course of its operations, in the event that such disputes or disagreements arise, the Group may be subjected to administrative proceedings and unfavourable decrees that result in financial losses and delays in the construction or completion of the Group's projects or upgrading works.

The Workers Accommodation Business and Student Accommodation Business is dependent on the availability of land suitable for development of workers and student accommodation

The Workers Accommodation Business and Student Accommodation Business are dependent, in part, on the availability of land suitable for development of workers and student accommodation. Governments may implement measures to adjust macroeconomic policies to prevent and curtail the overheating of its economies, which may affect the real estate markets that the Group will operate in. Additionally, the Group's ability to acquire land or licensing rights to develop such land for future development and the acquisition costs of such land will be affected by the policies of governments toward land supply. There is no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, or at all. If the Group is not able to identify and acquire attractive new sites at commercially acceptable prices, this could impair the Group's ability to compete with other property developers in the workers and student accommodation sector and materially and adversely affect the Group's business and financial performance.

RISKS RELATING TO WORKERS ACCOMMODATION BUSINESS

The Group's business may be affected by policy changes which reduces the number of foreign workers

The workers accommodation industry is dependent on the presence of a certain transient population of foreign workers in Singapore and Malaysia, and is also subject to the policies (including those governing foreign worker levies and the granting of work permits) imposed by the governmental bodies in these countries. Any change in such policies which increases the foreign worker levies payable by companies employing foreign workers in Singapore and Malaysia or which reduces the number of work permits granted to foreign workers could result in a reduction of foreign workers in Singapore and Malaysia. In addition, there could be pressure to reduce the number of foreign workers present in Singapore and Malaysia to minimise any potential problems that may arise with a large foreign worker presence. If such policy changes materialise, these could reduce the population of foreign workers in Singapore and Malaysia leading to a reduced demand for the Group's accommodation.

The Group is dependent on the industries its customers operate in

The Group is dependent on the industries in which its customers operate in. The Group's customers comprise companies that rent its accommodation units to house their foreign workers. As at the LPD, such customers principally comprise companies operating in the marine, engineering, oil and gas, and construction industries in Singapore and Malaysia. As such, the Group will be affected by the cyclical changes of such industries in Singapore and Malaysia. A downturn in these industries in Singapore and Malaysia may result in fewer marine, engineering, oil and gas or construction projects which may lead to a fluctuation of the number of foreign workers brought into Singapore and Malaysia to work on such projects. A downturn may also halt existing projects thereby causing existing foreign workers to be repatriated to their home countries due to a lack of suitable employment for them.

The Group is subject to policies of foreign governments on the employment of foreigners

The Group provides housing for foreign workers employed in Singapore and Malaysia. As such, demand for the Group's services and accommodation will depend on the presence of sufficient numbers of foreign workers. The employers of these foreign workers may have to comply with the rules and conditions imposed by the immigration and other authorities of the different countries from where the foreign workers come from, with regard to the employment of these foreigners to work. Any future changes to the policies of the immigration department of any country that restricts their travel and employment may adversely affect the numbers of foreigners of that nationality who are employed to work. In the event that suitable replacements from other countries cannot be obtained, this may affect the number of foreign workers, and hence the occupancy rate of the Group's accommodation and business operations.

The Group's business may be affected by changes in regulations relating to the workers accommodation industry

The workers accommodation industry in Singapore and Malaysia is subject to various government regulations which regulate general matters such as compulsory land acquisition, urban redevelopment and planning, as well as restrictions on the design, construction and use of properties as workers accommodation in particular. Compliance with such regulations may increase the Group's cost of operations.

Changes in laws and governmental regulations relating to real estate including those governing usage, zoning, taxes and government charges may lead to an increase in the costs of managing the Group's accommodation or unforeseen capital expenditure in order to ensure compliance. The Group's usage of the workers accommodation may also be restricted by legislative actions, such as revisions to the relevant building standards laws, city planning laws, or the enactment of new laws relating to the use and/or redevelopment of properties.

In addition, the government may introduce policies concerning the workers accommodation industry in general or restrictions on areas that can be used for workers accommodation, which could have a material adverse effect on the Group's financial condition and results of operation.

The Group may also require certain additional statutory and regulatory permits, licenses and approvals in order for it to carry on its business.

Furthermore, if the Group is required to apply for fresh approvals and permits for its Business, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by the Group or at all. If the Group fails to obtain the necessary approvals and permits or if there is any delay in obtaining these approvals and permits, this may impede the execution of the Group's business plans, and may materially and adversely affect the Group's business and financial condition.

The on-going upgrading works on the worker's accommodation may have an impact on the Group's business operations and financial position

The actual cost of the Group's upgrading works in the accommodation may be different from its current estimates. In the event that the actual cost is higher than its current estimated cost, the Group's financial position could be adversely affected. The upgrading works will entail the demolition of a number of the Group's accommodation units and commercial spaces. The temporary loss of income from such affected units during upgrading could have an adverse effect on its business and financial position. In addition, tenancy of some operational accommodation units may also be affected by the construction activities and disruption caused by the upgrading works and this could have an adverse effect on the Group's business and financial position.

The Group is exposed to risk of illegal immigrants found at its accommodation

The Group's accommodation caters to the housing needs of foreign workers employed in various industries in Singapore and Malaysia, primarily the marine, engineering, oil and gas, and construction industries. The Group is accordingly required to ensure that the foreigners residing in its accommodation are not illegal immigrants. The Group has taken precautionary measures to ensure that the persons residing at its accommodation have the necessary work passes/permits, such as issuing the access passes to workers registered as residents of its accommodation, conducting regular checks on the validity of their work passes/permits.

Although the Group has not previously been found guilty of harbouring illegal immigrants, the Group cannot assure that such measures are foolproof or that no illegal immigrants will be found at its accommodation in the future.

RISKS RELATING TO STUDENT ACCOMMODATION BUSINESS

The Group's business may be affected by policy changes which reduces the number of students

The student accommodation industry is dependent on the presence of a certain population of foreign students in Australia and the United Kingdom, and is also subject to the policies (including, without limitation, those policies governing immigration, academic fees, student loans and the granting of student permits or visas) imposed by the governmental bodies in these countries. Any change in immigration policies, policies affecting the subsidies in respect of academic fees or student loans, or policies which reduces the number of student permits or visas granted to foreign students could result in a reduction of foreign students in Australia and the United Kingdom. This may affect the occupancy rate of the Group's student accommodation assets and have an adverse impact on the Group's business and financial performance.

The Group's business may be affected by the policies of universities on the admission of students

The student accommodation industry is dependent on the presence of sufficient numbers of foreign students. If a university located in the areas which the Group operates in decides to reduce its intake of students for any or all academic years for any reason, the student population in the areas where the Group operates in may be reduced. This may result in an oversupply of student accommodation and hence affect the occupancy rate of the Group's student accommodation assets. The Group's business and financial performance may be adversely affected.

The Group's business may be affected by changes in regulations relating to the student accommodation industry

There may be new restrictions on foreign investment imposed from time to time which may impact the Group's ability to secure the requisite permissions to operate the Student Accommodation Business. This would have an adverse impact on the Group's business and financial performance.

It should be particularly noted that the governmental authorities where the Group's student accommodation are located may be empowered under local laws to compulsorily acquire any of the Group's properties, or any part of such properties, for public purposes or various other reasons, and compensate the Group in respect of such properties, or part thereof, being compulsorily acquired. There is a risk that the compensation in respect of any such compulsory acquisition by the relevant governmental authority will be less than the market value of the relevant property and/or the purchase consideration paid by the Group for the property or the carrying amount of the relevant property. This may adversely affect the Group's financial condition and the Group's results of operations and its profitability. Further, there is no assurance that the Group will be able to find a suitable alternative investment to replace the income lost in a timely manner or at all and this may have an adverse effect on the financial condition and the Group's results of operations and its profitability.

As the Group's strategy for its Student Accommodation Business is to locate its student accommodation within or in close proximity to student campuses, any change in zoning rules or regulations may adversely affect the business operations and consequently, the occupancy of the Group's student accommodation within or in close proximity to such student campuses. While the Group will conduct all reasonable due diligence investigations, the Group's future investment and business decisions may accordingly not be based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the Group's business and financial condition.

The student accommodation industry is subject to the laws and regulations of the markets in which the Group is currently operating in. Any change in laws and regulations may require the Group to obtain fresh or additional regulatory approvals, permits, certificates, consents, and/or licences to engage in the Student Accommodation Business. In the event that the Group is unable to obtain such approvals and/ or licences, or where there is a delay in obtaining them, the Group's ability to engage in the Student Accommodation Business will be adversely affected.

The Group's business may be affected by any drop in the reputation of universities located in the areas which the Group operates in

Australia and the United Kingdom are two of the world's key education hubs, with students from across the world seeking quality education in these countries. Nevertheless, if for whatever reason, there is a drop in the ranking of any university located in the areas which the Group operates in, there is a possibility that students may decide to enrol in other universities with higher rankings instead. Where such universities are located in areas which the Group does not operate in, this may lead to an outflow of students to such areas. This may affect the occupancy rates of the Group's student accommodation assets and adversely affect the Group's business and financial condition.

The Group's business may be affected by its inability to recover payments from the students and vacate its student accommodation for use by other students

In relation to the Student Accommodation Business, the Group's operations depend on its ability to collect rental fees from students occupying the Group's student accommodations in a timely manner. There is a possibility that the students may fail to make payment for their accommodation on a timely basis or even at all. In such situations, it may also not be possible for the Group to make its student accommodation available to other students within a short period from the students' default due to the disturbances they may create if the Group takes steps to evict them. The Group's inability to recover payments and vacate its student accommodation for use by other students may have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO INDUSTRIAL PROPERTY BUSINESS

The Group does not have an existing track record in the Industrial Property Business

Aside from Lian Beng-Centurion in which the Group holds a 45% interest, and which had developed the industrial property project at Mandai, the Group does not have an operating track record in the Industrial Property Business.

The Group's past operating results are derived from operations which do not relate to the Industrial Property Business and which consequently may not be indicative of the Group's future financial performance.

The Group is dependent on the industries in which its customers for the Industrial Property Business operate in

In the event the Group holds the industrial property for investment purposes, there is no assurance that the tenants who decide to base their industrial operations out of the Group's industrial properties will remain as tenants in the medium to long term. Certain potential foreign tenants may from time to time decide to relocate operations closer to their home base or to other countries which have a lower cost of capital and labour. While it is hoped that the Group will be able to retain these tenants, there is no guarantee that the Group will be able to do so in the near-term. Additionally, if the Group's tenants are based in sunset industries, these tenants may cease operations entirely when they are of the view that their operations are no longer economically viable.

The Industrial Property Business will increase the Group's exposure to risks associated with developing such properties for sale, such as the illiquidity of real estate assets, the possibility of disputes and claims from purchasers, saleability of the property, market downturn, etc.

Real estate assets, such as the industrial properties developed by the Group, are relatively illiquid. The illiquidity of the Group's industrial properties may limit the Group's ability to convert these assets into cash at short notice or may result in a significant reduction in the price that the Group might otherwise seek for such assets in the event it is required to effect an urgent sale. There is no assurance that the Group's financial performance will not be adversely affected if such circumstances were to materialise.

The Group's industrial properties are developed with the principal intention of being rented or sold to players in the industrial sector. Accordingly, the Group is subject to the solvency or creditworthiness of its purchasers. The Group may face delay or even non-payment in its collection of progress payments from the purchasers of its industrial properties. Any significant delay or inability in collecting payment will impact negatively on the Group's financial performance.

In the event that the Group is unable to sell a significant proportion of its industrial properties, the Group's financial results will be materially and adversely affected. Furthermore, the unsold industrial properties that the Group continues to hold for sale post-completion may be relatively illiquid, and such illiquidity may also have a negative effect on the prices of unsold industrial properties in the event the Group is required to sell the unsold properties urgently. In such an event, the Group's cash flow and financial performance will be adversely affected.

As a developer of industrial properties, the Group may also face disputes with, and claims from, purchasers in connection with delays and alleged defective works carried out in the Group's industrial property development projects. The Group may also have disputes with its contractors or suppliers over issues such as the quality of construction works and materials, the standard and skilfulness of their labourers and prices of the construction contracts. In the event such disputes are not resolved amicably, these purchasers, contractors or suppliers may make corresponding claims against the Group. In the event such claims are successfully made against the Group and the Group is required to compensate the claimants, the Group's business reputation and financial performance may be adversely affected.

RISKS RELATING TO OPTICAL DISC BUSINESS

The Group faces substantial competition from its competitors in the optical data storage industries

The market the Group operates in is competitive. The Group expects to face intense competition from existing competitors both in the local country in which the Group operates and also from oversea imports. The Group faces competition particularly those from certain Asian countries where they have a lower manufacturing cost base. Competitors also have an unfair cost advantage over the Group in terms of royalties payable to DVD patent holders. Certain DVD patent holders have continually failed to enforce their rights in their collection of royalties.

Growing competition may force the Group to reduce the prices of the Optical Disc Business products, which may reduce the Group's revenues and margins and/or decrease the Group's market share, any of which could have a material adverse effect on the Group's business, financial condition and results of operation.

The Group's ability to retain customers in the optical data storage industries and to attract new customers is important to the ongoing success of the Group. The loss of any of its major customers in these industries or reduced orders from any of them will have an adverse effect on the Group's turnover and profitability.

There is no assurance that the Group will be able to compete successfully in the future. Failure by the Group to remain competitive would adversely affect its turnover and profitability.

Defending against intellectual property infringement claims could be expensive and disruptive to the Group's business

While the Group take the necessary precautions to verify its customers' copyrights in relation to any CDs or DVDs the Group manufactures for them, the Group cannot be certain that the material they provide do not infringe copyrights or other intellectual property rights held by third parties. In the event that legal proceedings are brought against the Group by such third parties for making copies of movies or television series provided by the Group's customers to the Group, a substantial amount of time and money would have to be expended by the Group to contest such claims regardless of the merit of such claims. Further, successful infringement claims against the Group may result in substantial monetary liability or may materially disrupt the conduct of the Group's business.

The Group's business is affected by technological changes

The Group's Optical Disc Business is operating in an industry with numerous forms of storing and accessing data. The industry is characterised by rapidly changing technology and frequent emergences of new products and faster digital distribution of content. In particular, the Group is vulnerable to the development of the digital distribution of content or mode of data transfer such as transfers, downloads and streaming of content via the internet. To succeed, the Group has to continue to enhance and develop its products and services on a timely basis to satisfy the increasingly sophisticated requirements of its customers. In the event that the Group is unable to keep up with the technological changes, its turnover and profitability will be adversely affected.

The Optical Disc Business is vulnerable to fluctuations in the prices of raw material

The main raw materials involved in the Optical Disc Business manufacturing operations are plastic resins which are byproducts of the oil refining process. Thus, fluctuations in the prices of crude oil and hence plastic resins, will have a significant impact on the Group's profit margins and hence its profitability. The Group cannot assure that it will be able to pass on all the cost increases to its customers in order to maintain its profit margin. In the event that the Group is not in a position to pass on fully any significant increase in the prices of its raw materials to its customers, the results of the Group's operations will be adversely affected.

The Optical Disc Business is dependent on its manufacturing facilities. The loss of or shutdown of operations at the Group's manufacturing facilities may have a material adverse effect on its business, financial condition and results of operations.

The Optical Disc Business manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, raw material shortage or unsuitability, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of the Group's external contractors, the Group's ability to respond and propose to operate on a cost-effective and timely basis, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities, and any other factors which may or may not be within the Group's control. The occurrence of any of these risks could significantly affect its operating results. Although the Group takes precautions to minimise the risk of any significant operational problems at its facilities, its business, financial condition, results of operations and the trading price of its shares may be adversely affected by any disruption of operations at its facilities, including due to any of the factors mentioned above.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Issuer or its subsidiaries or such other purpose as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 20.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013 (the "**MAS Circular**"), qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

    (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

    (bb) the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:-

   (i) any related party of the Issuer; or

   (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

   shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
>
> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:-

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within 10 years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 39 ("**FRS 39**") may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

United States

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such Notes may violate the registration requirements of the Securities Act.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name, age and position of each of the Directors are set out below:

Name	Age	Position
Mr Wong Kok Hoe	51	Non-executive Chairman
Mr Kong Chee Min	48	Executive Director and Chief Executive Officer
Mr Lee Kerk Chong	63	Executive Director
Mr Tony Bin Hee Din	55	Executive Director
Mr Gn Hiang Meng	66	Lead Independent Director
Mr Chandra Mohan s/o Rethnam	50	Non-executive Independent Director

2. Save as disclosed below, the Directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer:

   Mr Tony Bin Hee Din is the brother-in-law of Mr Loh Kim Kang David, a controlling shareholder of the Issuer.

3. No Director of the Issuer is or was involved in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

4. The interests of the substantial shareholders and the Directors of the Issuer in the Shares as at the LPD are as follows:

Substantial Shareholders	Direct Interest	%	Deemed Interest	%	Total	%
Centurion Properties Pte Ltd(2)	353,869,206	46.754	45,000,000	5.946	398,869,206	52.700
Centurion Global Ltd(3)	–	–	398,869,206	52.700	398,869,206	52.700
Loh Kim Kang David(4)	9,713,500	1.283	398,869,206	52.700	408,582,706	53.983
Han Seng Juan(5)	3,072,000	0.406	406,094,206	53.654	409,166,206	54.060
Thinkpac Limited(6)	45,000,000	5.946	–	–	45,000,000	5.946
Teo Peng Kwang(7)	56,357,664	7.446	–	–	56,357,664	7.446
Lian Beng Group Ltd(8)	19,000,000	2.510	19,000,000	2.510	38,000,000	5.021
Ong Sek Chong & Son Pte Ltd(9)	–	–	38,000,000	5.021	38,000,000	5.021

Substantial Shareholders	Direct Interest	%	Deemed Interest	%	Total	%
Directors						
Wong Kok Hoe	–	–	–	–	–	–
Kong Chee Min	171,187	0.023	–	–	171,187	0.023
Lee Kerk Chong(10)	28,716,271	3.794	–	–	28,716,271	3.794
Tony Bin Hee Din	250,000	0.033	–	–	250,000	0.033
Chandra Mohan s/o Rethnam	–	–	–	–	–	–
Gn Hiang Meng(11)	–	–	225,000	0.030	225,000	0.030

Notes:

(1) Based on 756,872,238 issued Shares as at the Latest Practicable Date.

(2) Centurion Properties Pte Ltd is deemed interested in 45,000,000 Shares held by Thinkpac Limited. 130,000,000 Shares of Centurion Properties Pte Ltd are registered under the name of UOB Kay Hian Private Limited.

(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 through Centurion Properties Pte Ltd.

(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) 225,000 Shares of Teo Peng Kwang are registered under the name of DBS Vickers Securities (S) Pte Ltd, 87,500 Shares of Teo Peng Kwang are registered in the name of United Overseas Bank Nominees Pte Ltd and 56,045,164 shares of Teo Peng Kwang are registered under the name of DBS Nominees Pte Ltd.

(8) 19,000,000 Shares of Lian Beng Group Ltd are registered under the name of DBS Nominees Pte Ltd.

(9) Ong Sek Chong & Sons Pte Ltd has a 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.

(10) 18,750,000 Shares of Lee Kerk Chong are registered under United Overseas Bank Nominees Pte Ltd, and 1,500,000 Shares of Lee Kerk Chong are registered under UOB Kay Hian Private Limited.

(11) Gn Hiang Meng is deemed interested in 225,000 Shares held by his spouse, Loo Bee Hoon.

SHARE CAPITAL

5. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Articles of Association of the Issuer.

6. The issued share capital of the Issuer as at 30 June 2014 is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	756,871,613	S$201,147,000 *As contained in paragraph 1(d)(ii) of Appendix (IV)

7. The Issuer had on 28 October 2013, issued 75,605,231 warrants pursuant to the issue of bonus warrants, on the basis of one warrant for every 10 existing ordinary shares in the capital of the Issuer held by entitled shareholders. Each warrant carries the right to subscribe for one ordinary share in the capital of the Issuer 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. No warrant has been exercised as at 31 December 2013.

Save as disclosed above, no shares in, or debentures of, the Issuer are under option or agreed conditionally or unconditionally to be put under option and no person has been, or is entitled to be, given an option to subscribe for any shares in, or debentures of, the Issuer.

BORROWINGS

8. Save as disclosed in Appendix III, the Group had as at 31 December 2013 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

9. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

10. There has been no significant change in the accounting policies of the Issuer since its audited financial accounts for FY2013.

LITIGATION

11. There are no legal or arbitration proceedings pending or, to the best of the knowledge of the Issuer after making all reasonable enquiries, threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

MATERIAL ADVERSE CHANGE

12. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2013.

CONSENTS

13. PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

14. Copies of the following documents may be inspected at the registered office of the Issuer at 45 Ubi Road 1 #05-01, Singapore 408696 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Memorandum and Articles of Association of the Issuer;

    (b) the Trust Deed;

    (c) the letter of consent referred to in paragraph 13 above; and

    (d) the audited financial statements of the Issuer and its subsidiaries for FY2012 and FY2013.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

15. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED FINANCIAL STATEMENTS OF CENTURION CORPORATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The information in this Appendix II has been reproduced from the audited financial statements of Centurion Corporation Limited and its subsidiaries for FY2012 and has not been specifically prepared for inclusion in this Information Memorandum.

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 6 to 91, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2012, 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 2012, 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 Certified Public Accountants

Singapore,
28 March 2013

CENTURION CORPORATION LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2012

	Note	**2012** **$'000**	2011 $'000
Revenue	4	**65,231**	30,044
Cost of sales	5	**(39,495)**	(15,381)
Gross profit		**25,736**	14,663
Other income	6	**1,718**	645
Other gains – net	7	**520**	3
Expenses			
- Distribution	5	**(2,013)**	(1,062)
- Administrative	5	**(11,031)**	(4,431)
- Finance	8	**(1,980)**	(847)
- Others	5	**30**	(12,967)
Profit/(loss) before share of loss of associated companies and joint venture		**12,980**	(3,996)
Share of loss of associated companies and joint venture	17,18	**(318)**	(673)
Profit/(loss) before income tax		**12,662**	(4,669)
Income tax expense	10	**(3,166)**	(1,493)
Net profit/(loss)		**9,496**	(6,162)
Profit/(loss) attributable to:			
Equity holders of the Company		**9,141**	(6,154)
Non-controlling interests		**355**	(8)
		9,496	(6,162)
Earnings/(losses) per share attributable to equity holders of the Company (basic and diluted)	11	**1.21 cents**	(1.14) cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2012

	Note	**2012** **$'000**	2011 $'000
Net profit/(loss) for the year		**9,496**	(6,162)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Fair value (losses)/gains	29(b)(i)	**(31)**	(34)
Currency translation differences arising from consolidation			
- (Losses)/gains	29(b)(ii)	**(1,658)**	110
Other comprehensive (loss)/income, net of tax		**(1,689)**	76
Total comprehensive income/(loss)		**7,807**	(6,086)
Total comprehensive income/(loss) attributable to			
Equity holders of the Company		**7,452**	(6,078)
Non-controlling interests		**355**	(8)
		7,807	(6,086)

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

CENTURION CORPORATION LIMITED
AND ITS SUBSIDIARIES

BALANCE SHEETS
As at 31 December 2012

	Note	Group		Company	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**41,027**	38,584	**4,235**	18,644
Trade and other receivables	13	**14,065**	18,829	**12,085**	13,404
Inventories	14	**1,592**	2,497	**-**	-
Other current assets	15	**1,854**	1,868	**24**	778
		58,538	61,778	**16,344**	32,826
Non-current assets					
Trade and other receivables	13	**-**	9,550	**176,353**	152,620
Financial assets, available-for-sale	16	**4,250**	4,281	**4,250**	4,281
Investments in associated companies	17	**1,363**	1,364	**1,298**	1,298
Investment in a joint venture	18	**4,255**	4,614	**-**	-
Investments in subsidiaries	19	**-**	-	**9,946**	11,326
Investment properties	20	**120,534**	70,190	**-**	-
Property, plant and equipment	21	**12,983**	10,681	**116**	112
Deferred income tax assets	27	**91**	-	**-**	-
Intangible assets	22	**21,676**	64	**-**	-
		165,152	100,744	**191,963**	169,637
Total assets		**223,690**	162,522	**208,307**	202,463
LIABILITIES					
Current liabilities					
Trade and other payables	23	**26,186**	18,392	**1,904**	2,058
Current income tax liabilities	10	**6,253**	2,652	**294**	375
Borrowings	24	**12,710**	3,697	**-**	3
		45,149	24,741	**2,198**	2,436
Non-current liabilities					
Borrowings	24	**63,290**	34,022	**-**	-
Other liabilities	26	**929**	1,940	**-**	511
Deferred income tax liabilities	27	**4,399**	807	**29**	59
		68,618	36,769	**29**	570
Total liabilities		**113,767**	61,510	**2,227**	3,006
NET ASSETS		**109,923**	101,012	**206,080**	199,457
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	28	**89,431**	89,431	**200,742**	200,742
Other reserves	29	**15,482**	17,171	**238**	269
Retained profits/(Accumulated losses)	30	**1,308**	(5,565)	**5,100**	(1,554)
		106,221	101,037	**206,080**	199,457
Non-controlling interests		**3,702**	(25)	**-**	-
Total equity		**109,923**	101,012	**206,080**	199,457

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2012

	Note	← Attributable to equity holders of the Company → Share capital	Other reserves	Retained profits/ (Accumulated losses)	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
2012							
Beginning of financial year		**89,431**	**17,171**	**(5,565)**	**101,037**	**(25)**	**101,012**
Dividends relating to financial year 2012 interim paid	31	-	-	(2,268)	(2,268)	-	(2,268)
Dividends paid to non-controlling interest of a subsidiary		-	-	-	-	(1,050)	(1,050)
Non-controlling interest's share in a subsidiary		-	-	-	-	4,397	4,397
		89,431	**17,171**	**(7,833)**	**98,769**	**3,322**	**102,091**
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest		-	-	-	-	25	25
Total comprehensive income for the year		-	(1,689)	9,141	7,452	355	7,807
End of financial year		**89,431**	**15,482**	**1,308**	**106,221**	**3,702**	**109,923**
2011							
Beginning of financial year		1,000	-	4,184	5,184	-	5,184
Reverse acquisition of Centurion Corporation Group		53,639	-	-	53,639	-	53,639
Issuance of shares to acquire a joint venture	28	14,800	-	-	14,800	-	14,800
Compliance placement of new shares	28	21,000	-	-	21,000	-	21,000
Pre-completion dividends payable to former shareholders of Westlite	31	-	-	(3,595)	(3,595)	-	(3,595)
Share issuance expenses		(1,008)	-	-	(1,008)	-	(1,008)
Shareholders' contributions	29(b)(iii)	-	17,095	-	17,095	-	17,095
		89,431	17,095	589	107,115	-	107,115
Acquisition of a subsidiary		-	-	-	-	(17)	(17)
Total comprehensive loss for the year		-	76	(6,154)	(6,078)	(8)	(6,086)
End of financial year		89,431	17,171	(5,565)	101,037	(25)	101,012

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2012

	Note	Group 2012 $'000	2011 $'000
Cash flows from operating activities			
Net profit/(loss)		**9,496**	(6,162)
Adjustments for:			
- Tax expense		**3,166**	1,493
- Depreciation and amortisation		**13,170**	3,034
- Allowance for impairment of trade and other receivables		**299**	14
- Net loss on disposal of property, plant and equipment		**35**	71
- Impairment of property, plant and equipment		**-**	214
- Interest income		**(353)**	(94)
- Dividend income		**(206)**	(91)
- Interest expense		**1,980**	847
- Share of loss of associated companies and joint venture (net)		**318**	673
- Negative goodwill written off/Impairment of goodwill		**(30)**	12,967
- Impairment of financial assets, available-for-sale		**-**	250
- Currency translation differences		**(21)**	4
Operating cash flow before working capital changes		**27,854**	13,220
Changes in working capital			
- Inventories		**939**	881
- Trade and other receivables		**6,628**	(2,950)
- Other current assets		**296**	(70)
- Trade and other payables		**(444)**	1,100
Cash generated from operations		**35,273**	12,181
Income tax paid – net		**(3,351)**	(1,528)
Net cash provided by operating activities		**31,922**	10,653
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**67**	434
Proceeds from disposal of shares in an associated company		**-**	2
Purchase of investment properties		**(17,251)**	(9,948)
Purchase of property, plant and equipment		**(3,342)**	(267)
Acquisition of interest in subsidiaries, net of cash acquired	19(b)	**(43,408)**	(2,320)
Acquisition of additional interest in a subsidiary		**(3,328)**	-
Loan repaid from/(disbursed) to joint venture		**9,550**	(2,158)
Dividend received		**206**	91
Interest received		**353**	94
Short-term deposits released/(charged) as security to bank		**1,568**	(13)
Net cash received from reverse acquisition	36	**-**	16,935
Restricted short-term bank deposits		**(3,744)**	-
Short-term bank deposits charged		**(820)**	-
Net cash (used in)/provided by investing activities		**(60,149)**	2,850
Cash flows from financing activities			
Proceeds from borrowings		**44,389**	6,723
Repayment of borrowings		**(9,951)**	(3,527)
Interest paid		**(1,980)**	(847)
Dividends paid to shareholders		**(2,268)**	(2,500)
Dividends paid in relation to pre-completion dividends		**(1,095)**	-
Dividends paid to non-controlling interest of a subsidiary		**(1,050)**	-
Proceeds from issuance of compliance placement shares		**-**	21,000
Share issue expense		**-**	(1,008)
Loan from non-controlling interest		**-**	622
Net cash provided by financing activities		**28,045**	20,463
Net (decrease)/increase in cash and cash equivalents held		**(182)**	33,966
Cash and cash equivalents at the beginning of the financial year		**36,906**	2,903
Effects of exchange rate changes on cash and cash equivalents		**(264)**	37
Cash and cash equivalents at the end of the financial year	12	**36,460**	36,906

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

On 1 August 2011, the Company, Centurion Corporation Limited (formerly known as SM Summit Holdings Limited) completed the proposed acquisitions as set out in Note 36.

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, Singapore 408696.

The principal activities of the Company include investment holding and provision of management services. The principal activities of the subsidiaries are as follows:

- owning worker dormitories and provision of dormitory accommodation and services ("Dormitory Business”);
- manufacturing and providing services relating to optical storage media ("Optical Disc Business").

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of 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. 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 2012

On 1 January 2012, the Group adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date. 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.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2012 (continued)

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

2.2 Revenue recognition

Sales comprises 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, when 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 sales of goods is recognised when a Group entity has delivered the products to the customers and the customers have accepted the products and collectibility of the related receivables is reasonably assured.

(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 incentive given to the lessees) is recognised on a straight-line basis over the lease term.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

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

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(f) 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.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated 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 are that part of the net results of operations and of net assets of a subsidiary 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, consolidated 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.

2. **Significant accounting policies** (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisition of business*

The acquisition method of accounting is used to account for business combinations 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 the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

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 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 fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.6(a) for the subsequent accounting policy on goodwill.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised in the consolidated income statement as a bargain purchase.

2. **Significant accounting policies** (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(iii) *Disposals of subsidiaries or businesses*

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 FRS.

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 the consolidated income statement.

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.

(iv) *Reverse acquisition*

Consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (accounting acquiree) but described in the notes as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

Refer to Note 36(ii) for the impact on the consolidated financial statements.

(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.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(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%. The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. 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.

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 associate and joint venture over the Group's share of the fair value of the identifiable net assets of the associate and joint venture, and is included in the carrying amount of the investments.

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 the consolidated income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income directly. These post-acquisition movements are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company and joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company or joint venture.

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. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint ventures* (continued)

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

Gains and losses arising from partial disposals or dilutions in investments in associated companies and joint ventures are recognised in the consolidated income statement.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in the consolidated income statement.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recorded at cost. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) *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.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(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	3 - 10 years
Renovation, furniture and fittings	4 - 10 years
Motor vehicles	4 - 5 years
Office equipment and computers	3 - 10 years

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

(c) *Subsequent expenditure*

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

(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 the consolidated income statement within 'Other gains – net'.

2. Significant accounting policies (continued)

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 cost less any accumulated depreciation and any impairment losses.

Depreciation of investment properties are provided on a straight-line basis to allocate the gross carrying amount over the estimated useful lives as follows:

	Useful lives
Leasehold land	over the lease period ranging from 50 to 99 years
Buildings	50 years, or lease term if shorter

Depreciation methods and useful lives are reviewed, and adjusted as appropriate at each reporting date.

No depreciation is provided on freehold and 999 year leasehold land included in the investment properties.

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries, joint ventures and associated companies at the date of acquisition.

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 the subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies (continued)

2.6 Intangible assets (continued)

(b) Favourable lease agreement

Favourable lease agreement acquired is initially recognised at cost and are 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, whichever is the shorter of its estimated useful life and period of contractual rights.

2.7 Borrowing costs

All borrowing costs that are interest and other costs incurred in connection with the borrowing of funds that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognised as an expense in the period in which they are incurred. The interest expense is calculated using the effective interest method.

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 investments in subsidiaries, associated companies and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the consolidated income statement.

2. Significant accounting policies (continued)

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. Goodwill included in the carrying amount of an investment in associated companies and joint ventures is tested for impairment as part of the investment, rather than separately, and only when there is an indication that the investments 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-rated on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the consolidated income statement 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 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 flows 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.

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

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

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 the consolidated income statement.

An impairment loss for an asset other than goodwill is reversed if, and 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 the consolidated income statement.

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 financial assets, available-for-sale. The classification depends on 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 maturing 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 receivable from subsidiaries which have been accounted for in accordance with Note 2.8.

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(a) *Classification* (continued)

(ii) *Financial assets, available-for-sale*

Financial assets, available-for-sale 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 management intends to dispose of the assets within 12 months after the balance sheet date.

(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 the consolidated income statement. Any amount in the fair value reserve relating to that asset is transferred to the consolidated income statement.

(c) *Initial measurement*

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

(d) *Subsequent measurement*

Financial assets, available-for-sale 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 financial assets, available-for-sale are recognised separately in profit or loss. 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 the consolidated income statement and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised 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 allowance for impairment loss account 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) *Financial assets, available-for-sale*

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred 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 in profit or loss on equity securities are not reversed through the consolidated income statement.

2. Significant accounting policies (continued)

2.11 Financial guarantees

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

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

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries, associated companies and joint venture's borrowings, unless it is probable that the Group and 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 Group's and Company's balance sheets.

Intra-group transactions are eliminated on consolidation.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has unconditional right to defer settlement for at least 12 months after the balance sheet date.

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 the consolidated income statement over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

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

2.14 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)

2.15 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 the 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 property, 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.

Profits on sale and leaseback transactions which constitute operating leases are recognised immediately in the consolidated income statement when such sale and leaseback transactions are established at fair value. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value shall be determined and amortised over the period for which the asset is expected to be used.

2. Significant accounting policies (continued)

2.15 Leases (continued)

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

The Group sublease its leased office premises under operating leases to non-related parties.

Leases of investment properties, including the dormitories where the Group retains substantially all risks and rewards incidental to ownership are classified as operating lease.

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.

2.16 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 applicable variable selling expenses.

2.17 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.

2. Significant accounting policies (continued)

2.17 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies 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.

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.

2.18 Employee compensation

The Group's contributions are recognised as employee compensation expense when they are due, unless they can 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.

2. **Significant accounting policies** (continued)

2.18 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.

2.19 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 Dollar, which is the functional currency of the Company.

2. **Significant accounting policies** (continued)

2.19 Currency translation (continued)

(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 translation differences 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 date are recognised in the consolidated income statement, unless they arise from borrowings in foreign currencies or other currency instruments which are designated and qualifying as net investment hedges, and net investment in foreign operations. These currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the consolidated income statement as part of the gain or loss on disposal of the foreign operation.

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 date of the balance sheet;

(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 exchange currency translation differences are recognised in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the balance sheet. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

2. Significant accounting policies (continued)

2.20 Segment reporting

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

2.21 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.

2.22 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.

2.23 Dividends to the Company's shareholders

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

3. Critical accounting estimates, assumptions and judgements

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(a) Investment properties

The Group, in reliance on independent professional valuers, applies estimates, judgements and assumptions in the determination of fair values for investment properties for disclosure purposes (Note 20).

3. Critical accounting estimates, assumptions and judgements (continued)

(b) *Impairment of loans and receivables*

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(c) *Income taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

4. Revenue

	Group	
	2012	2011
	$'000	$'000
Sales of goods	**28,359**	16,962
Services rendered	**109**	95
Rental income from investment properties	**25,329**	7,687
Conservancy and service charges from investment properties	**10,847**	5,081
Others	**587**	219
Total sales	**65,231**	30,044

5. Expenses by nature

	Group	
	2012	2011
	$'000	$'000
Purchase of raw materials and consumables	**8,483**	8,348
Changes in inventories	**905**	(2,497)
Depreciation of property, plant and equipment (Note 21)	**3,334**	1,479
Depreciation of investment properties (Note 20)	**5,720**	1,555
Amortisation of intangible asset (Note 22(b))	**4,116**	-
Allowance for impairment of trade and other receivables	**299**	14
Management fee	**-**	285
Property tax	**908**	708
Employee compensation (Note 9)	**11,690**	5,453
Rental on operating leases	**3,475**	1,008
Utilities	**4,248**	1,063
Repairs and maintenance	**1,656**	704
Insurance	**383**	159
Freight outwards	**277**	123
Impairment of goodwill (Note 22)	**-**	12,967
Security and card system expenses	**443**	227
Laundry expense	**932**	-
Legal and professional fees	**1,036**	370
Others	**4,604**	1,875
Total cost of sales, distribution, administrative and other expenses	**52,509**	33,841

6. Other income

	Group	
	2012	2011
	$'000	$'000
Rental income	**1,159**	460
Interest income	**353**	94
Dividend income	**206**	91
	1,718	645

7. Other gains - net

	Group	
	2012	2011
	$'000	$'000
Currency exchange (loss)/gain – net	**(399)**	373
Net loss on disposal of property, plant and equipment	**(32)**	(71)
Impairment of property, plant and equipment (Note 21)	**-**	(214)
Impairment of financial assets, available-for-sale	**-**	(250)
Write-back of provisions no longer required	**600**	-
Others	**351**	165
Other gains – net	**520**	3

8. Finance expenses

	Group	
	2012	2011
	$'000	$'000
Interest expense:		
- bank borrowings and overdrafts	**1,731**	572
- shareholders' loan	**-**	298
- finance lease liabilities	**13**	10
- bank facility fees	**428**	-
Less: Amount capitalised in investment property	**(192)**	(33)
Finance expenses recognised in profit or loss	**1,980**	847

Borrowing costs on general financing were capitalised at a rate of 1.19% (2011: 0.49%).

9. Employee compensation

	Group	
	2012	2011
	$'000	$'000
Wages and salaries	**10,364**	4,705
Employer's contribution to defined contribution plans, including Central Provident Fund	**1,222**	549
Post-employment benefits (Note 26(b))	**104**	31
Termination and other benefits	**-**	168
	11,690	5,453

10. Income taxes

(a) Income tax expense

	Group	
	2012	2011
	$'000	$'000
Tax expense attributable to the results is made up of:		
Current income tax		
- Singapore	**4,077**	1,635
- Foreign	**70**	127
	4,147	1,762
Deferred income tax (Note 27)	**(917)**	(121)
	3,230	1,641
(Over)/under provision in prior financial years		
- Singapore income tax	**(78)**	(19)
- Foreign income tax	**14**	-
- Deferred tax (Note 27)	**-**	(129)
	3,166	1,493

10. **Income taxes** (continued)

(a) Income tax expense (continued)

The tax on the Group's profit/(loss) before tax and share of loss of associated companies and joint venture differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2012	2011
	$'000	$'000
Profit/(loss) before tax from continuing operations	**12,662**	(4,669)
Share of loss of associated companies and joint venture, net of tax	**(318)**	(673)
Profit/(loss) before tax and share of loss of associated companies and joint venture	**12,980**	(3,996)
Tax calculated at a tax rate of 17% (2011: 17%)	**2,207**	(679)
Effects of:		
- different tax rates in other countries	**101**	182
- statutory stepped income exemption	**(101)**	(43)
- expenses not deductible for tax purposes	**1,606**	1,990
- income not subject to tax	**(93)**	(42)
- utilisation of previously unrecognised capital allowances	**-**	(45)
- utilisation of previously unrecognised tax losses	**(439)**	-
- others	**(51)**	(31)
- unrecognised deferred tax assets	**-**	309
	3,230	1,641

Deferred income tax assets of approximately $1,510,000 (2011: $2,552,000) for the Group have not been recognised for unutilised tax losses and capital allowances of certain subsidiaries as there is no reasonable certainty that future taxable profits will be available for utilisation of these temporary differences. As at 31 December 2012, total balances of unutilised tax losses and capital allowances available for offset against future taxable income are disclosed in Note 27 to the financial statements.

10. Income taxes (continued)

(b) Movements in current tax liabilities/(recoverable) – net

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**2,646**	1,640	**375**	435
Currency translation difference	**(27)**	-	**-**	-
On reverse acquisition of subsidiaries (Note 36)	**-**	791	**-**	-
Acquisition of subsidiaries (Note 19)	**2,699**	-	**-**	-
Income tax (paid)/refund – net	**(3,351)**	(1,528)	**(39)**	35
Tax expense	**4,147**	1,762	**37**	21
Overprovision in prior financial years	**(64)**	(19)	**(79)**	(116)
End of financial year	**6,050**	2,646	**294**	375

The current income tax account comprises the following:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current income tax recoverable (Included in Other current assets - Note 15)	**(203)**	(6)	**-**	-
Current income tax liabilities	**6,253**	2,652	**294**	375
	6,050	2,646	**294**	375

11. Earnings/(losses) per share

Basic earnings/(losses) 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.

	2012	2011
Net profit/(loss) attributable to equity holders of the Company ($'000)	**9,141**	(6,154)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**756,061**	542,022
Basic and diluted earnings/(losses) per share	**1.21 cents**	(1.14) cents

The diluted earnings/(losses) per share is the same as basic earnings per share as there are no dilutive potential ordinary shares.

11. Earnings/(losses) per share (continued)

2011

Due to the reverse acquisition during 2011, the number of ordinary shares outstanding from the beginning of the year to the reverse acquisition date for purpose of calculating the weighted average number of ordinary shares is deemed to be the number of ordinary shares issued by the Company to the owners of Westlite Dormitory (Toh Guan) Pte. Ltd. (formerly known as Centurion Dormitory (Westlite) Pte. Ltd.) (Note 36(i)), and the number of ordinary shares outstanding from the reverse acquisition date to the end of the year is the actual number of ordinary shares of the Company outstanding during the financial year.

12. Cash and cash equivalents

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**14,724**	11,414	**594**	1,076
Short-term bank deposits	**26,303**	27,170	**3,641**	17,568
	41,027	38,584	**4,235**	18,644

As at 31 December 2012, short-term bank deposits at the balance sheet date have an average maturity of 3 months (2011: 3 months) from the end of the financial year with the following weighted average effective interest rates:

	Group		Company	
	2012	2011	**2012**	2011
	%	%	**%**	%
Singapore Dollar	**0.74**	0.31	**0.65**	0.34
Hong Kong Dollar	**-**	0.20	**-**	-
Australian Dollar	**2.36**	3.96	**1.80**	-

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

	Group	
	2012	2011
	$'000	$'000
Cash and bank balances (as above)	**41,027**	38,584
Less: Bank overdrafts (Note 24)	**(3)**	(110)
Short-term bank deposits charged as security to bank	**(820)**	(1,568)
Restricted short-term bank deposits	**(3,744)**	-
Cash and cash equivalents per consolidated statement of cash flows	**36,460**	36,906

12. Cash and cash equivalents

2012

As at 31 December 2012, short-term bank deposits of the Group amounting to $820,000 (2011: nil) were charged as security to a bank as a guarantee in relation to a lease agreement. An amount of $3,744,300 was deposited in a bank account of a subsidiary which has been set aside to settle certain liabilities as part of the sale and purchase agreement relating to an acquisition of a subsidiary.

2011

As at 31 December 2011, short-term bank deposits of the Group amounting to $1,568,000 were charged to a bank as security for the issue of a banker's guarantee in connection with a bank loan drawn by an associated company.

13. Trade and other receivables

(a) Current

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Trade receivables – third parties	**11,285**	13,390	**56**	139
Less: Allowance for impairment	**(1,040)**	(844)	**-**	-
	10,245	12,546	**56**	139
Receivables from subsidiaries				
- trade	**-**	-	**2,883**	2,564
- non-trade	**-**	-	**6,361**	8,051
Receivables from associated companies/joint venture				
- trade	**-**	1	**-**	-
- non-trade	**162**	2,326	**53**	42
Loans to subsidiaries	**-**	-	**11,578**	11,574
Loans to associated companies	**6,123**	6,270	**-**	-
	6,285	8,597	**20,875**	22,231
Less: Allowance for impairment	**(2,682)**	(2,520)	**(8,908)**	(9,034)
	3,603	6,077	**11,967**	13,197
Other receivables	**217**	211	**62**	68
Less: Allowance for impairment	**-**	(5)	**-**	-
	14,065	18,829	**12,085**	13,404

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

13. Trade and other receivables (continued)

(b) Non-current

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Loans to subsidiaries		**-**	-	**176,353**	157,381
Less: Allowance for impairment		**-**	-	**-**	(4,761)
		-	-	**176,353**	152,620
Loans to an associated company		**432**	432	**432**	432
Less: Allowance for impairment		**(432)**	(432)	**(432)**	(432)
		-	-	**-**	-
Loan to joint venture company	36(iii)	**-**	9,550	**-**	-
		-	9,550	**176,353**	152,620

The loans to subsidiaries are unsecured with no fixed terms of repayment but are not expected to be repaid within the next twelve months. Included in the loans to subsidiaries is an amount of $6,999,000 (2011: $6,594,000) which bears interest at 2% (2011: 2%) per annum.

Included in the loans to subsidiaries is an amount of $176,353,000 (2011: $134,325,000) which are considered to be part of the Company's net investment in the subsidiaries.

At the balance sheet date, the carrying amounts of the non-current loans approximated their fair value.

14. Inventories

	Group 2012 $'000	Group 2011 $'000
Finished goods	**112**	458
Work-in-progress	**21**	49
Raw materials	**1,535**	2,094
Less: Allowance for stock obsolescence	**(76)**	(104)
	1,592	2,497

The cost of inventories recognised as expense and included in "cost of sales" amounted to $9,388,000 (2011: $5,851,000).

15. Other current assets

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Deposits	**1,333**	1,641	**2**	752
Prepayments	**318**	221	**22**	26
Tax recoverable	**203**	6	**-**	-
	1,854	1,868	**24**	778

16. Financial assets, available-for-sale

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**4,281**	-	**4,281**	4,488
Acquired from reverse acquisition (Note 36)	**-**	4,565	**-**	-
Impairment losses (Note 7)	**-**	(250)	**-**	(465)
Fair value (losses)/gains recognised in other comprehensive income [Note 29(b)(i)]	**(31)**	(34)	**(31)**	258
End of financial year	**4,250**	4,281	**4,250**	4,281

Financial assets, available-for-sale are analysed as follows:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Listed equity securities – Singapore	**4,250**	4,281	**4,250**	4,281

The fair value of listed equities are based on quoted market prices at the balance sheet date.

17. Investments in associated companies

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Equity investment, at cost			**3,735**	3,735
Less: Accumulated impairment			**(2,437)**	(2,437)
			1,298	1,298
Beginning of financial year	**1,364**	-		
Acquired from reverse acquisition (Note 36)	**-**	1,323		
Currency translation difference	**(42)**	80		
Disposal of associated company	**-**	(2)		
Share of profit/(loss)	**41**	(37)		
End of financial year	**1,363**	1,364		

(a) The summarised financial information of associated companies, not adjusted for the proportion ownership interest held by the Group, is as follows:

	2012	2011
	$'000	$'000
- Assets	**10,445**	15,310
- Liabilities	**7,447**	11,405
- Revenue	**2,606**	5,166
- Net loss	**(760)**	(4,502)

(b) The associated companies of Centurion Corporation Limited are as follows:

Name of companies	Principal activities	Country of incorporation and business carried on in	Equity holding	
			2012	2011
			%	%
Held directly by the Company				
Sherford (M) Sdn Bhd+	Property investment	Malaysia	**25**	25
WOW Vision Pte Ltd ^	Provision of wireless applications and solutions	Singapore	**34**	34
Held by subsidiaries				
Shanghai Huade Photoelectron Science & Technology Co. Ltd* ++	Manufacture and replication of compact discs, data storage products and related components	People's Republic of China	**49**	49
AVSM Logistics Pte Ltd ^	Provide warehousing and logistic services	Singapore	**40**	40
Typhoon Creations Pte Ltd ^	Marketing services	Singapore	**20**	20

+ Audited by M.S. Wong & Co.
* Audited by Shanghai LSC Certified Public Accountants Co., Ltd.
++ Holdings through Advance Technology Investment Limited.
^ Audited by Messrs James Chan & Partners.

18. Investment in a joint venture

	Group	
	2012	2011
	$'000	$'000
Beginning of financial year	**4,614**	-
Acquisition of joint venture	**-**	5,250
Share of loss	**(359)**	(636)
End of financial year	**4,255**	4,614

(a) The Group has a 45% equity interest in Lian Beng-Centurion (Mandai) Pte Ltd. The investment in the joint venture is held by Centurion Dormitories Pte Ltd, a wholly-owned subsidiary of the Company. The principal activity of the joint venture is to develop property and operate workers' dormitories subject to all necessary approvals from the relevant authorities. However, the joint venture dormitory operations has not commenced as at 31 December 2012.

(b) The summarised financial information of joint venture, adjusted for the proportion ownership interest by the Group, is as follows:

	2012	2011
	$'000	$'000
- Assets	**50,593**	39,726
- Liabilities	**50,688**	39,463
- Revenue	**-**	-
- Net loss	**(359)**	(636)
Capital commitments in relation to interest in joint venture	**59,222**	81,756
Proportionate interest in joint venture's capital commitments	**26,650**	36,790

19. Investments in subsidiaries

(a)

	Company	
	2012	2011
	$'000	$'000
Equity investment, at cost	**14,994**	12,432
Less: Accumulated impairment	**(5,048)**	(1,106)
	9,946	11,326

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries

2012

(i) Acquisition of Westlite Dormitory (Tebrau) Sdn Bhd (Formerly known as Alpha Sunshine Sdn Bhd)

On 10 February 2012, the Group acquired 100% equity interest in Westlite Dormitory (Tebrau) Sdn Bhd. Westlite Dormitory (Tebrau) Sdn Bhd operates a newly built and operational dormitory with a capacity of 2,600 beds in Tebrau IV located in Johor, Malaysia.

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	
Cash and cash equivalents	16
Investment property	6,555
Property, plant and equipment	409
Trade receivables	17
Other current assets	57
Total assets	7,054
Trade and other payables	(204)
Loan from shareholders	(2,898)
Borrowings	(4,126)
Deferred income tax liabilities	(33)
Total liabilities	(7,261)
Identifiable net liabilities	**(207)**
Add: Goodwill (Note 22)	207
Consideration paid for 100% equity interest	-

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(i) Acquisition of Westlite Dormitory (Tebrau) Sdn Bhd (Formerly known as Alpha Sunshine Sdn Bhd) (continued)

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

	Group $'000
Effects on cash flow on the Group	
Cash paid	2,898
Less: Cash and cash equivalents in subsidiary acquired	(16)
Cash outflow on acquisition	**2,882**

Acquisition-related costs

Acquisition-related costs of $6,000 are included in "administrative expenses" in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

Goodwill

The goodwill of $207,000 arising from the acquisition is attributable to the growth potential of the investment.

Revenue and profit contribution

The acquired business contributed revenue of $717,000 and net loss of $188,000 to the Group from the period from 10 February 2012 to 31 December 2012.

Had Westlite Dormitory (Tebrau) Sdn Bhd been consolidated from 1 January 2012, consolidated revenue and consolidated loss for the year ended 31 December 2012 would have been $65,258,000 and $9,487,000 respectively.

(ii) Acquisition of Dormitory Investments Private Limited ("DIPL")

On 29 February 2012, the Group acquired 90% equity interest in Dormitory Investments Private Limited, a company which operates a foreign workers dormitory with a capacity of 8,600 beds in Tuas, Singapore.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

(ii) Acquisition of Dormitory Investments Private Limited ("DIPL") (continued)

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

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	7,625
Investment property	24,249
Property, plant and equipment	2,148
Trade receivables	2,146
Inventories	34
Other current assets	15
Intangible assets (Note 22(b))	25,521
Total assets	61,738
Trade and other payables	(10,670)
Loans and borrowings	(28)
Current income tax liabilities	(2,699)
Deferred income tax liabilities	(4,371)
Total liabilities	(17,768)
Identifiable net assets	**43,970**
Less: Non-controlling interest at proportionate share of the identifiable net assets	(4,397)
Add: Goodwill	(30)
Consideration paid for 90% equity interest	39,543
Effect on cash flows of the Group	
Cash paid	39,543
Less: Cash and cash equivalents in subsidiary acquired	(7,625)
Cash outflow on acquisition	**31,918**

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(ii) Acquisition of Dormitory Investments Private Limited ("DIPL") (continued)

Upon the finalisation of the completion accounts of DIPL as at 29 February 2012, it resulted in a downward adjustment to the purchase consideration of $3,207,000. The amount was subsequently received from the vendor.

	Group
	$'000
Cash paid	42,750
Adjustment to purchase consideration	(3,207)
Adjusted purchase consideration	39,543

Acquisition-related costs

Acquisition-related costs of $276,000 are included in "administrative expenses" in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

Non-controlling interests

The Group has chosen to recognise the 10% non-controlling interest at its proportionate share of its identifiable net assets of $4,397,000.

Revenue and profit contribution

The acquired business contributed revenue of $21,610,000 and net profit of $6,970,000 to the Group from the period from 29 February 2012 to 31 December 2012.

Had DIPL been consolidated from 1 January 2012, consolidated revenue and consolidated profit for the year ended 31 December 2012 would have been $69,079,000 and $5,667,000 respectively.

(iii) Acquisition of Westlite Dormitory (Cemerlang) Sdn Bhd (Formerly known as Gallery Connection Sdn Bhd)

On 12 April 2012, the Group acquired 100% equity interest in Westlite Dormitory (Cemerlang) Sdn Bhd which is the registered proprietor of a piece of land at Ulu Tiram, Johor Bahru, Malaysia and a dormitory under renovation. It has a capacity of 1,600 beds. Consequently, Westlite Dormitory (Cemerlang) Sdn Bhd became a subsidiary of the Group.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(iii) Acquisition of Westlite Dormitory (Cemerlang) Sdn Bhd (Formerly known as Gallery Connection Sdn Bhd) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	-
Investment property	1,013
Property, plant and equipment	6
Total assets	1,019
Trade and other payables	(9)
Loan from shareholders	(949)
Total liabilities	(958)
Identifiable net assets	**61**
Consideration paid for 100% equity interest	61

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	1,010
Less: Cash and cash equivalents in subsidiary acquired	-
Cash outflow on acquisition	**1,010**

(iv) Acquisition of Westlite Dormitory (Tampoi) Sdn Bhd (Formerly known as Approach Impact Sdn Bhd)

On 30 May 2012, the Group acquired 100% equity interest in Westlite Dormitory (Tampoi) Sdn Bhd, which is the owner of a piece of land at Tampoi, Malaysia. Consequently, Westlite Dormitory (Tampoi) Sdn Bhd became a subsidiary of the Group.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(iv) Acquisition of Westlite Dormitory (Tampoi) Sdn Bhd (Formerly known as Approach Impact Sdn Bhd) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group **$'000**
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	16
Investment property	4,863
Total assets	4,879
Trade and other payables	(7)
Loans from shareholders	(4,798)
Total liabilities	(4,805)
Identifiable net assets	**74**
Consideration paid for 100% equity interest	74

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	4,872
Less: Cash and cash equivalents in subsidiary acquired	(16)
Cash outflow on acquisition	**4,856**

(v) Acquisition of Westlite Dormitory (Pasir Gudang) Sdn Bhd (Formerly known as Duke Dormitory Management Sdn Bhd)

On 22 October 2012, the Group acquired 100% equity interest in Westlite Dormitory (Pasir Gudang) Sdn Bhd which is the owner of two adjacent plots of land with buildings erected thereon within the residential enclove of Pasir Gudang in Johor Bahru, Malaysia. Consequently, Westlite Dormitory (Pasir Gudang) Sdn Bhd became a subsidiary of the Group.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(v) Acquisition of Westlite Dormitory (Pasir Gudang) Sdn Bhd (Formerly known as Duke Dormitory Management Sdn Bhd) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	1
Other current assets	7
Property, plant and equipment	348
Investment property	978
Total assets	1,334
Trade and other payables	(230)
Loans from shareholders	(1,064)
Total liabilities	(1,294)
Identifiable net assets	**40**
Consideration paid for 100% equity interest	40

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	1,104
Less: Cash and cash equivalents in subsidiary acquired	(1)
Cash outflow on acquisition	**1,103**

(vi) Acquisition of Westlite Dormitory (Senai) Sdn Bhd (Formerly known as Brave Privilege Sdn Bhd)

On 11 December 2012, the Group acquired 100% equity interest in Westlite Dormitory (Senai) Sdn Bhd, which is the owner of a piece of land at Senai, Malaysia. Consequently, Westlite Dormitory (Senai) Sdn Bhd became a subsidiary of the Group.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(vi) Acquisition of Westlite Dormitory (Senai) Sdn Bhd (Formerly known as Brave Privilege Sdn. Bhd.) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	-
Investment property	1,641
Total assets	1,641
Trade and other payables	(2)
Loans from shareholders	(1,639)
Total liabilities	(1,641)
Identifiable net assets	**-**
Consideration paid for 100% equity interest	-

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	1,639
Less: Cash and cash equivalents in subsidiary acquired	-
Cash outflow on acquisition	**1,639**

(vii) Acquisition of additional 46% interest in Westlite Dormitory (JB Techpark) Sdn Bhd (Formerly known as Goodwill Origins Sdn Bhd)

During the financial year, the Group acquired the remaining interest in shares of Westlite Dormitory (JB Techpark) Sdn Bhd. Subsequent to the acquisition, Westlite Dormitory (JB Techpark) Sdn Bhd became a wholly-owned subsidiary of the Group. This acquisition is accounted for as a transaction with non-controlling interests and there were no differences between the change in the carrying amount of non-controlling interests and the fair value of consideration paid.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2011

Acquisition of Goodwill Origins Sdn Bhd

On 21 November 2011, the Group acquired a 54% equity interest in Goodwill Origins Sdn Bhd. Goodwill Origins Sdn Bhd is the beneficial owner of a piece of 99-year leasehold land located at Johor Technology Park, Johor, Malaysia. Construction works to build 5 blocks of workers' dormitory on the property have commenced. Consequently, Goodwill Origins Sdn Bhd became a subsidiary of the Group.

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values are as follows:

	Group
	$'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	62
Investment property	4,392
Other current assets	8
Total assets	4,462
Trade and other payables	(1)
Borrowings	(2,096)
Total liabilities	(2,097)
Identifiable net assets	**2,365**
Add: Non-controlling interest	17
Consideration paid for 54% equity interest	2,382

The effects of the acquisition of subsidiaries on the cash flows of the Group for the financial year ended 31 December 2011 were as follows:

Cash consideration	2,382
Less: Cash and cash equivalents in subsidiaries acquired	(62)
Cash outflow on acquisition	**2,320**

19. Investments in subsidiaries (continued)

(c) The subsidiaries of Centurion Corporation Limited are as follows:

Name of companies	Principal activities	Country of incorporation and business carried on in	Equity holding 2012 %	Equity holding 2011 %
Summit CD Manufacture Pte Ltd#	Manufacture and replication of compact discs, data storage products and related components	Singapore	**100**	100
Summit Hi-Tech Pte Ltd#	Manufacture and replication of digital versatile discs, data storage products and related components	Singapore	**100**	100
SM Summit Holdings Pte. Ltd.#	Investment holding	Singapore	**100**	100
Purple Vision Pte Ltd#^^	Media advertising	Singapore	**100**	100
Summit CD Manufacture (HK) Limited**	Dormant	Hong Kong	**100**	100
SM Summit Holdings (HK) Limited**	Dormant	Hong Kong	**100**	100
Advance Technology Investment Limited**^^	Investment holding	Hong Kong	**100**	100
Summit Technology Australia Pty Ltd@	Manufacture and replication of compact discs and digital versatile discs	Australia	**100**	100
SM Summit Holdings (Australia) Pty Limited+**	Dormant	Australia	**100**	100
Summit Printing (Australia) Pty Limited+@	Printing	Australia	**100**	100
Centurion Accommodation (Australia) Pty Ltd +@ (formerly known as Wow Vision Australia Pty Ltd)	Property investment	Australia	**100**	100
Gate Cosmos Investments Ltd**	Trading and investment holding	British Virgin Islands	**100**	100
PT Digital Media Technology~^	Manufacture and replication of compact discs, data storage products and related components	Indonesia	**100**	100
Centurion Dormitories Pte. Ltd.#	Investment holding	Singapore	**100**	100
Westlite Dormitory Management Pte. Ltd. #^^ (formerly known as FairVision Pte Ltd)	Provision of management services	Singapore	**100**	100
Westlite Dormitory (Toh Guan) Pte. Ltd.#^^^ (formerly known as Centurion Dormitory (Westlite) Pte. Ltd.)	Property investments and provision of dormitory accommodation and services	Singapore	**100**	100
Dormitory Investments Private Limited#^^^	Investment holding	Singapore	**90**	-
Westlite Dormitory (Tuas) Pte. Ltd. #^^^ (formerly known as 5 Star Dormitory Management Pte. Ltd.)	Property investments and provision of dormitory services	Singapore	**90**	-
5 Star Supermart Pte. Ltd. #^^^	Dormant	Singapore	**90**	-

19. Investments in subsidiaries (continued)

(c) The subsidiaries of Centurion Corporation Limited are as follows: (continued)

Name of companies	Principal activities	Country of incorporation and business carried on in	Equity holding	
			2012	2011
			%	%
DI Food Services Pte. Ltd. #^^^	Dormant	Singapore	**90**	-
Centurion Dormitories Sdn Bhd## ^^^	Investment holding	Malaysia	**100**	100
Westlite Dormitory Management Sdn Bhd ## ^^^^	Provision of management services	Malaysia	**100**	-
Westlite Dormitory (JB Techpark) Sdn. Bhd. ##^^^^ (formerly known as Goodwill Origins Sdn Bhd)	Property investments and provision of dormitory accommodation and services	Malaysia	**100**	54
Westlite Dormitory (Tebrau) Sdn. Bhd. ##^^^^ (formerly known as Alpha Sunshine Sdn. Bhd.)	Property investments and provision of dormitory accommodation services	Malaysia	**100**	-
Westlite Dormitory (Cemerlang) Sdn. Bhd. ##^^^^ (formerly known as Gallery Connection Sdn. Bhd.)	Property investments and provision of dormitory accommodation services	Malaysia	**100**	-
Westlite Dormitory (Tampoi) Sdn. Bhd. ##^^^^ (formerly known as Approach Impact Sdn. Bhd.)	Property investment	Malaysia	**100**	-
Westlite Dormitory (Pasir Gudang) Sdn. Bhd. ##^^^^ (formerly known as Duke Dormitory Management Sdn. Bhd.)	Property investment	Malaysia	**100**	-
Westlite Dormitory (Senai) Sdn. Bhd. ##^^^^ (formerly known as Brave Privilege Sdn. Bhd.)	Property investment	Malaysia	**100**	-

Audited by PricewaterhouseCoopers LLP, Singapore.
Audited by PricewaterhouseCoopers, Malaysia.
@ Audited by Crowe Horwath, Australia
~ Audited by Mazars, Indonesia.
** No statutory audit required in the country of incorporation.
+ Holdings through Summit Technology Australia Pty Ltd.
^ Holdings through Gate Cosmos Investments Ltd and SM Summit Holdings Pte. Ltd.
^^ Holdings through SM Summit Holdings Pte. Ltd.
^^^ Holdings through Centurion Dormitories Pte Ltd
^^^^ Holdings through Centurion Dormitories Sdn. Bhd.

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 or associated companies would not compromise the standard and effectiveness of the audit of the Group.

20. Investment properties

	Freehold land $'000	Leasehold land $'000	Leasehold building $'000	Investment property under construction $'000	Total $'000
Group					
2012					
Cost					
Beginning of financial year	-	47,479	15,489	13,424	76,392
Acquisition of subsidiaries	6,137	1,375	30,981	806	39,299
Currency translation differences	(125)	(55)	(148)	(163)	(491)
Additions	6,493	3	8,722	2,033	17,251
End of financial year	12,505	48,802	55,044	16,100	132,451
Accumulated depreciation					
Beginning of financial year	-	3,723	2,479	-	6,202
Currency translation differences	-	-	(5)	-	(5)
Depreciation charge	-	978	4,742	-	5,720
End of financial year	-	4,701	7,216	-	11,917
Net book value	**12,505**	**44,101**	**47,828**	**16,100**	**120,534**
2011					
Cost					
Beginning of financial year	-	46,466	15,489	97	62,052
Acquisition of a subsidiary	-	1,013	-	3,379	4,392
Additions	-	-	-	9,948	9,948
End of financial year	-	47,479	15,489	13,424	76,392
Accumulated depreciation					
Beginning of financial year	-	2,788	1,859	-	4,647
Depreciation charge	-	935	620	-	1,555
End of financial year	-	3,723	2,479	-	6,202
Net book value	-	43,756	13,010	13,424	70,190

Investment properties comprise dormitories and commercial properties that are leased to external customers under operating leases.

Certain investment properties are pledged as security for the bank facilities extended to subsidiaries (Note 24(b)). The net book value of these investment properties amounted to approximately $83,006,000 (2011: $63,567,000).

Market value of the investment properties of the Group as at 31 December 2012 were estimated to be $211,523,000 (2011: $155,028,000). The valuation was performed by external independent valuers with professional qualifications and experience, taking into account market prices and rental of comparable properties.

20. Investment properties (continued)

The following amounts are recognised in profit or loss:

	Group	
	2012	2011
	$'000	$'000
Rental income (Note 4)	**25,329**	7,687
Conservancy and service charges (Note 4)	**10,847**	5,081
Direct operating expenses arising from:		
- Investment properties that generated rental income, conservancy and service charges	**(18,154)**	(4,464)
- Investment property that do not generate rental income	**(2)**	(18)
	18,020	8,286

Properties of the Group

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 and 1 amenity block	Commercial – Dormitory	Leasehold	46 years
Tuas South Ave 9, Singapore	8 blocks of workers dormitory and 1 amenity block	Commercial – Dormitory	Leasehold	4.5 years *
Johor Technology Park, Malaysia	5 blocks of workers dormitory and 1 amenity block	Commercial – Dormitory	Leasehold	97 years
Tebrau, Malaysia	2 blocks of workers dormitory and 1 amenity block	Commercial – Dormitory	Leasehold	48 years
Desa Cemerlang, Malaysia	8 blocks of workers dormitory	Commercial – Dormitory	Freehold	-
Pasir Gudang, Malaysia	2 blocks of workers dormitory	Commercial – Dormitory	Leasehold	73 years
Tampoi, Malaysia	(under development)	Commercial – Dormitory	Freehold	-
Senai, Malaysia	(under development)	Commercial – Dormitory	Freehold	-
Port Hedland, Australia	(under development)	Commercial – Dormitory	Freehold	-

* Includes an extension for 3 years subject to the agreement of new terms and conditions with the landlord.

21. 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							
2012							
Cost							
Beginning of financial year	2,560	7,691	1,027	511	264	254	12,307
Acquisition of subsidiaries	-	1,482	1,321	27	81	-	2,911
Currency translation differences	(204)	(260)	(28)	(37)	(7)	(9)	(545)
Additions	28	332	1,110	19	137	1,716	3,342
Disposals	-	(115)	(23)	-	(30)	-	(168)
Transfer from capital work-in-progress	-	1,873	-	-	43	(1,916)	-
End of financial year	2,384	11,003	3,407	520	488	45	17,847
Accumulated depreciation							
Beginning of financial year	46	1,084	132	93	57	-	1,412
Currency translation differences	2	(30)	2	(13)	9	-	(30)
Disposals	-	(53)	(3)	-	-	-	(56)
Depreciation charge	133	2,381	530	156	134	-	3,334
End of financial year	181	3,382	661	236	200	-	4,660
Accumulated impairment							
Beginning of financial year	-	200	-	-	14	-	214
Disposals	-	-	-	-	(10)	-	(10)
End of financial year	-	200	-	-	4	-	204
Net book value							
End of financial year	**2,203**	**7,421**	**2,746**	**284**	**284**	**45**	**12,983**
2011							
Cost							
Beginning of financial year	-	42	51	-	7	-	100
Acquired from reverse acquisition (Note 36)	2,591	8,644	1,065	515	266	157	13,238
Currency translation differences	(5)	(126)	(14)	(4)	9	2	(138)
Additions	16	113	27	-	12	99	267
Disposals	(41)	(987)	(102)	-	(30)	-	(1,160)
Transfer from capital work-in-progress	(1)	5	-	-	-	(4)	-
End of financial year	2,560	7,691	1,027	511	264	254	12,307
Accumulated depreciation							
Beginning of financial year	-	37	29	-	7	-	73
Currency translation differences	(10)	(110)	(8)	(3)	(9)	-	(140)
Depreciation charge	56	1,157	111	96	59	-	1,479
End of financial year	46	1,084	132	93	57	-	1,412
Accumulated impairment							
Beginning of financial year	-	-	-	-	-	-	-
Impairment for the year	-	200	-	-	14	-	214
End of financial year	-	200	-	-	14	-	214
Net book value							
End of financial year	2,514	6,407	895	418	193	254	10,681

21. 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					
2012					
Cost					
Beginning of financial year	6	849	822	456	2,133
Additions	-	-	-	37	37
Disposals	-	-	-	(3)	(3)
End of financial year	6	849	822	490	2,167
Accumulated depreciation					
Beginning of financial year	6	839	726	450	2,021
Disposals	-	-	-	(3)	(3)
Depreciation charge	-	3	24	6	33
End of financial year	6	842	750	453	2,051
Net book value					
End of financial year	**-**	**7**	**72**	**37**	**116**
2011					
Cost					
Beginning of financial year	6	844	730	561	2,141
Additions	-	5	92	4	101
Disposals	-	-	-	(109)	(109)
End of financial year	6	849	822	456	2,133
Accumulated depreciation					
Beginning of financial year	6	835	635	556	2,032
Disposals	-	-	-	(109)	(109)
Depreciation charge	-	4	91	3	98
End of financial year	6	839	726	450	2,021
Net book value					
End of financial year	-	10	96	6	112

(a) At the balance sheet date, the net book value of property, plant and equipment of the Group and the Company under finance lease agreements amounted to $104,000 (2011: $263,000) and $nil (2011: $5,900) [Note 24(c)] respectively.

(b) Certain property, plant and machinery of the Group are mortgaged to banks for term loans and other credit facilities extended to certain subsidiaries. The net book value of these property, plant and machinery amounted to approximately $1,179,000 (2011: $1,393,000) [Notes 24(b)].

(c) The leasehold land and buildings of the Group comprise:

Location	Tenure	Use of Property
Indonesia:		
MM2100 Industrial Town Jl. Bali Blok H1-1 Cibitung Bekasi 17520	22 years lease from 30 September 2004, with an option to extend for a further 20 years	Industrial factory building

22. Intangible assets

	Group 2012 $'000	Group 2011 $'000
Composition:		
Goodwill arising on consolidation [Note (a)]	**271**	64
Favourable lease agreement	**21,405**	-
	21,676	64

(a) *Goodwill arising on consolidation*

	Group 2012 $'000	Group 2011 $'000
Cost		
Beginning of financial year	**13,031**	-
Acquisition of subsidiaries	**207**	64
Arising from reverse acquisition	**-**	12,967
End of financial year	**13,238**	13,031
Accumulated impairment		
Beginning of financial year	**12,967**	-
Impairment charge (Note 5)	**-**	12,967
End of financial year	**12,967**	12,967
Net book value	**271**	64

Impairment tests for goodwill

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

A summary of the goodwill allocation and key assumptions are as follows:

2012 Cash-generating Unit ("CGU")	**2012 $'000**	**Growth rate**	**Discount rate**
Westlite Dormitory (Tebrau) Sdn Bhd	**207**	4%	11.5%
	207		

2011 Cash-generating Unit ("CGU")	2011 $'000	Growth rate	Discount rate
Optical segment	12,967	1%	12%
	12,967		

22. **Intangible assets** (continued)

(a) ***Goodwill arising on consolidation*** (continued)

2012

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections in the value-in-use calculations were based on financial budgets approved by management covering a 10-year period. Cash flows beyond the 5-year period were extrapolated using the estimated growth rate above. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

Management determined budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports.

The goodwill arising from the acquisition is attributable to the growth potential of the investment.

2011

Management determined budgeted gross margin based on past performance and its expectations of market developments.

Goodwill arose as a result of the increase in share price of the Company between the date of signing of the Sale and Purchase agreement and the completion date of the Westlite acquisition.

A determination of the recoverable amount of the Optical segment subsequent to the reverse acquisition revealed a shortfall of $12,967,000 in future cash flows to support the purchase consideration paid of $53,639,000. Based on the market conditions of the optical disc manufacturing industry, significant pressure is felt on the demand of the product as a result of the expected decline in the optical disc manufacturing industry. Accordingly, an impairment charge of $12,967,000 was recorded against goodwill and is included within "other expense" in the consolidated income statement.

(b) ***Favourable lease agreement***

	Group	
	2012	2011
	$'000	$'000
Cost		
Beginning of financial year	**-**	-
Acquisition of a subsidiary [Note 19(b)]	**25,521**	-
End of financial year	**25,521**	-
Accumulated amortisation		
Beginning of financial year	**-**	-
Amortisation charge	**4,116**	-
End of financial year	**4,116**	-
Net book value	**21,405**	-

23. Trade and other payables

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Trade payables to:				
- third parties	**4,848**	5,415	**96**	106
- associated companies	**15**	20	**-**	-
- subsidiary	**-**	-	**-**	1
	4,863	5,435	**96**	107
Deferred income	**511**	595	**511**	583
Deposits received	**7,615**	2,612	**202**	202
Accrued operating expenses	**6,967**	5,410	**1,053**	927
Other payables	**6,230**	4,340	**42**	239
Total trade and other payables	**26,186**	18,392	**1,904**	2,058

24. Borrowings

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Current				
Bank overdrafts [Note (a)]	**3**	110	**-**	-
Bank loans [Note (b)]	**12,676**	3,467	**-**	-
Finance lease liabilities [Notes (c) and 25]	**31**	120	**-**	3
	12,710	3,697	**-**	3
Non-current				
Bank loans [Note (b)]	**63,283**	33,993	**-**	-
Finance lease liabilities [Notes (c) and 25]	**7**	29	**-**	-
	63,290	34,022	**-**	-
Total borrowings	**76,000**	37,719	**-**	3

(a) Bank overdrafts

The bank overdrafts of the Group are supported by a guarantee given by the Company. The weighted average effective interest rate of the bank overdrafts at the balance sheet date is 5.75% per annum.

(b) Bank loans

The bank loans are repayable as follows:

	Group	
	2012	2011
	$'000	$'000
- not later than one year	**12,676**	3,467
- between one to five years	**42,930**	12,487
- after five years	**20,353**	21,506
	75,959	37,460

24. Borrowings (continued)

(b) Bank loans (continued)

All the amounts are at floating interest rates.

Total borrowings include secured liabilities of $75,997,000 (2011: $37,609,000) for the Group. These borrowings are secured over shares in a subsidiary, certain investment properties (Note 20), and property, plant and machinery (Note 21(b)).

(c) Finance lease liabilities

The finance lease liabilities are secured on certain property, plant and machinery purchased under finance leases of the Group and the Company [Note 21(a)]. The Group's weighted average effective interest rate of finance lease liabilities at the balance sheet date is 3.69% (2011: 3.65%) per annum. The Company's weighted average effective interest rate of finance lease liabilities at the balance sheet date is nil% (2011: 2.88%) per annum.

(d) Interest rate risk

The periods in which the borrowings reprice or mature, whichever is earlier, 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							
2012							
Total borrowings	**5,626**	**7,053**	**63,283**	**26**	**5**	**7**	**76,000**
2011							
Total borrowings	1,843	1,733	33,993	63	63	24	37,719

(e) Carrying amounts and fair values

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

25. Finance lease liabilities

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Minimum lease payments due:				
- not later than one year	**34**	125	**-**	4
- between one and five years	**8**	30	**-**	-
	42	155	**-**	4
Less: Future finance charges	**(4)**	(6)	**-**	(1)
Present value of finance lease liabilities	**38**	149	**-**	3
The present value of finance lease liabilities may be analysed as follows:				
- not later than one year (Note 24)	**31**	120	**-**	3
- between one and five years (Note 24)	**7**	29	**-**	-
Total	**38**	149	**-**	3

26. Other liabilities

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Provision for long service leave [Note (a)]	**310**	315	**-**	-
Deferred income arising from sale and leaseback	**-**	511	**-**	511
Provision for post-employment benefits [Note (b)]	**365**	309	**-**	-
Others	**254**	805	**-**	-
	929	1,940	**-**	511

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

	Group	
	2012	2011
	$'000	$'000
Beginning of financial year	**315**	-
Acquired from reverse acquisition	**-**	389
Currency translation differences	**(11)**	1
Charged/(credited) to the consolidated income statement	**10**	(71)
Paid during the financial year	**(4)**	(4)
End of financial year	**310**	315

26. 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	
	2012	2011
	$'000	$'000
Beginning of financial year	**309**	-
Acquired from reverse acquisition	**-**	276
Currency translation differences	**(39)**	1
Charged to the consolidated income statement	**104**	31
Paid during the financial year	**(9)**	1
End of financial year	**365**	309

The amounts recognised in profit or loss are as follows:

	Group	
	2012	2011
	$'000	$'000
Current service cost	**54**	17
Interest cost	**32**	12
Gain on actuarial recognition	**7**	1
Immediate recognition of Past-Service-Vested benefits	**11**	-
Excess benefit paid in period	**-**	1
	104	31

The principal actuarial assumptions used are as follows:

	Group	
	2012	2011
Retirement age	55 years	55 years
Future salary increases per annum	8%	8%
Discount rate per annum	6.4%	10.5%

(c) Carrying amounts and fair values

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

27. Deferred income tax liabilities

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	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities:				
- to be settled within one year	**288**	107	**16**	55
- to be settled after more than one year	**4,111**	700	**13**	4
	4,399	807	**29**	59
Deferred income tax asset:				
- to be settled after more than one year	**(91)**	-	**-**	-
	4,308	807	**29**	59

Movements in the deferred income tax account is as follows:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**807**	2	**59**	28
Acquired from reverse acquisition (Note 36)	**-**	1,055	**-**	-
Currency translation	**14**	-	**-**	-
Acquisition of subsidiaries	**4,404**	-	**-**	-
Tax (credited)/charged to:				
- consolidated income statement [Note 10(a)]	**(917)**	(121)	**(30)**	31
- overprovision in prior financial year	**-**	(129)	**-**	-
End of financial year	**4,308**	807	**29**	59

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 $6,728,000 (2011: $8,361,000) and capital allowances of $198,000 (2011: $807,000) 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.

27. Deferred income tax liabilities (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 $'000	Amortisation of intangible asset $'000	Others $'000	Total $'000
2012				
Beginning of financial year	1,010	-	28	1,038
Acquisition of subsidiaries	-	4,404	-	4,404
Currency translation differences	(5)	-	(1)	(6)
(Credited)/charged to the consolidated income statement	(79)	(700)	(109)	(888)
End of financial year	**926**	**3,704**	**(82)**	**4,548**
2011				
Beginning of financial year	2	-	-	2
Acquired from reverse acquisition (Note 36)	1,102	-	107	1,209
Currency translation differences	(1)	-	1	-
(Credited)/charged to the consolidated income statement	(93)	-	(10)	(103)
Others	-	-	(70)	(70)
End of financial year	1,010	-	28	1,038

Deferred income tax assets

	Provisions $'000
2012	
Beginning of financial year	231
Currency translation differences	(20)
Charged to the consolidated income statement	29
End of financial year	**240**
2011	
Beginning of financial year	-
Acquired from reverse acquisition (Note 36)	154
Currency translation differences	(1)
Charged to the consolidated income statement	18
Others	60
End of financial year	231

27. Deferred income tax liabilities (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation	Others	Total
	$'000	$'000	$'000
2012			
Beginning of financial year	2	57	59
Credited to the income statement	5	(35)	(30)
End of financial year	**7**	**22**	**29**
2011			
Beginning of financial year	2	26	28
Credited to the income statement	-	31	31
End of financial year	**2**	**57**	**59**

28. Share capital

	←-------- Company --------→	
	No. of shares	Amount
	Issued share capital	Issued share capital
	'000	$'000
2012		
Balance as at 1 January 2012 and 31 December 2012	**756,061**	**200,742**
2011		
Balance as at 1 January 2011	362,420	40,194
Issuance of new shares pursuant to the reverse takeover acquisition	849,702	125,756
Issuance of new shares pursuant to the acquisition of joint venture, Lian Beng-Centurion (Mandai) Pte. Ltd.	100,000	14,800
Share issuance expenses	-	(1,008)
	1,312,122	179,742
Share consolidation	(656,061)	-
	656,061	179,742
Issuance of new placement shares	100,000	21,000
	756,061	200,742

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

29. Other reserves

		Group		Company	
		2012	2011	**2012**	2011
		$'000	$'000	**$'000**	$'000
(a)	Composition				
	Fair value reserve	**(65)**	(34)	**238**	269
	Currency translation reserve	**(1,548)**	110	**-**	-
	Capital reserve	**17,095**	17,095	**-**	-
		15,482	17,171	**238**	269
(b)	Movements				
	(i) Fair value reserve				
	Beginning of financial year	**(34)**	-	**269**	11
	Fair value (losses)/gains on financial assets, available-for-sale (Note 16)	**(31)**	(34)	**(31)**	258
	End of financial year	**(65)**	(34)	**238**	269

	Group	
	2012	2011
	$'000	$'000
(ii) Currency translation reserve		
Beginning of financial year	**110**	-
Net exchange differences on translation of financial statements of foreign subsidiaries and associated companies	**(1,658)**	110
End of financial year	**(1,548)**	110
(iii) Capital reserve		
Beginning of financial year	**17,095**	-
Settlement of loan from Westlite's former shareholder in the consolidated accounts (i.e. Shareholders' contribution)	**-**	17,095
End of financial year	**17,095**	17,095

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 "Other reserves" of the Group.

Other reserves are non-distributable.

30. Retained profits / (Accumulated losses)

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies amounting to $362,000 (2011: $322,000) which are included in the Group's retained profits.

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

	Company	
	2012	2011
	$'000	$'000
Beginning of financial year	**(1,554)**	3,898
Net profit/(loss)	**8,922**	(3,640)
Dividends paid (Note 31)	**(2,268)**	(1,812)
End of financial year	**5,100**	(1,554)

31. Dividends

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Ordinary dividends paid				
Interim exempt dividend paid of 0.3 cent per share	**2,268**	-	**2,268**	-
Final exempt dividend paid in respect of the previous year of nil cent (2011: 0.5 cent per share)	**-**	-	**-**	1,812
Pre-completion dividends paid/payable to former shareholders of Westlite	**-**	3,595	**-**	-
	2,268	3,595	**2,268**	1,812

At the Annual General Meeting on 26 April 2013, a final dividend of 0.4 cent per share amounting to a total of $3,024,000 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 2013.

32. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investment in a joint venture (Note 18), are as follows:

	Group	
	2012	2011
	$'000	$'000
Investment properties	**30,713**	36,064

(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	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Not later than one year	**3,011**	2,309	**1,466**	1,646
Between one and five years	**447**	2,152	**-**	1,466
	3,458	4,461	**1,466**	3,112

(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	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Not later than one year	**26,288**	10,885	**780**	1,605
Between one and five years	**1,481**	997	**-**	780
	27,769	11,882	**780**	2,385

32. **Commitments** (continued)

(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 $58,499,000 (2011: $50,081,000). At 31 December 2012, the amount of the guaranteed loans drawn down by associated companies and joint venture amounted to $42,549,000 (2011: $26,695,000).

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 $123,008,000 (2011: $94,498,000). At 31 December 2012, the amount of the guaranteed loans drawn down by the subsidiaries, associated companies and joint venture amounted to $118,508,000 (2011: $64,264,000).

(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 2012, the net liabilities of these subsidiaries amounted to $31,999,000 (2011: $37,060,000).

33. **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. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

33. **Financial risk management** (continued)

(a) *Market risk* (continued)

(i) Currency risk (continued)

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD") and United States Dollar ("USD"). The Group also has a number of investments in foreign subsidiaries, whose net assets are exposed to currency risk. 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 key management is as follows:

2012	SGD $'000	USD $'000	MYR $'000	AUD $'000	Other $'000	Total $'000
Financial assets						
Cash and cash equivalents	32,789	350	1,594	6,190	104	41,027
Financial assets, available-for-sale	4,250	-	-	-	-	4,250
Inter-company balances	35,421	440	-	5,663	1	41,525
Trade and other receivables	3,553	2,440	386	6,480	1,206	14,065
Other financial assets	313	440	263	-	317	1,333
	76,326	3,670	2,243	18,333	1,628	102,200
Financial liabilities						
Trade and other payables	14,274	3,782	3,601	4,182	1,276	27,115
Inter-company balances	35,421	440	-	5,663	1	41,525
Borrowings	66,461	-	9,524	-	15	76,000
	116,156	4,222	13,125	9,845	1,292	144,640
Net financial assets/liabilities	**(39,830)**	**(552)**	**(10,882)**	**8,488**	**336**	
Less: Net financial assets denominated in the respective entities' functional currencies	38,556	-	10,882	(6,353)	(304)	
Currency risk exposures	**(1,274)**	**(552)**	**-**	**2,135**	**32**	

2011	SGD $'000	USD $'000	AUD $'000	Other $'000	Total $'000
Financial assets					
Cash and cash equivalents	29,714	1,056	6,482	1,332	38,584
Financial assets, available-for-sale	4,281	-	-	-	4,281
Inter-company balances	170,740	468	2,528	840	174,576
Trade and other receivables	15,377	4,144	6,711	2,147	28,379
Other financial assets	814	468	1	359	1,642
	220,926	6,136	15,722	4,678	247,462
Financial liabilities					
Trade and other payables	5,882	4,394	4,755	5,301	20,332
Inter-company balances	170,740	468	2,528	840	174,576
Borrowings	37,612	-	-	107	37,719
	214,234	4,862	7,283	6,248	232,627
Net financial assets/liabilities	6,692	1,274	8,439	(1,570)	
Less: Net financial assets denominated in the respective entities' functional currencies	(7,834)	-	(6,581)	(1,851)	
Currency risk exposures	(1,142)	1,274	1,858	(3,421)	

33. Financial risk management (continued)

(a) *Market risk* (continued)

(i) Currency risk (continued)

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

	2012 SGD $'000	**2012** USD $'000	**2012** AUD $'000	**2012** Others $'000	**2012** Total $'000	2011 SGD $'000	2011 USD $'000	2011 AUD $'000	2011 Total $'000
Financial assets									
Cash and cash equivalents	**4,012**	**13**	**210**	**-**	**4,235**	18,542	3	99	18,644
Financial assets available-for-sale	**4,250**	**-**	**-**	**-**	**4,250**	4,281	-	-	4,281
Trade and other receivables	**180,048**	**245**	**8,145**	**-**	**188,438**	157,825	260	7,939	166,024
Other financial assets	**2**	**-**	**-**	**-**	**2**	-	-	-	-
	188,312	**258**	**8,355**	**-**	**196,925**	180,648	263	8,038	188,949
Financial liabilities									
Trade and other payables	**(1,898)**	**-**	**-**	**(6)**	**(1,904)**	2,569	-	-	2,569
Borrowings	**-**	**-**	**-**	**-**	**-**	3	-	-	3
	(1,898)	**-**	**-**	**(6)**	**(1,904)**	2,572	-	-	2,572
Net financial assets	**186,414**	**258**	**8,355**	**(6)**		178,076	263	8,038	
Less: Net financial assets denominated in the entity's functional currency	**(186,414)**	**-**	**-**	**-**		(178,076)	-	-	
Currency risk exposures	**-**	**258**	**8,355**	**(6)**		-	263	8,038	

If the USD, MYR, and AUD change against SGD by 4% (2011: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial asset position would be as follows:

	2012 Increase/(Decrease) **Profit after tax $'000**	2011 Increase/(Decrease) Profit after tax $'000
Group		
USD against SGD		
- strengthened	**(22)**	64
- weakened	**22**	(64)
MYR against SGD		
- strengthened	**-**	-
- weakened	**-**	-
AUD against SGD		
- strengthened	**85**	93
- weakened	**(85)**	(93)

33. **Financial risk management** (continued)

(a) *Market risk* (continued)

(i) Currency risk (continued)

	2012	2011
	Increase/(Decrease)	
	Profit after tax	Profit after tax
	$'000	$'000
Company		
USD against SGD		
- strengthened	**10**	13
- weakened	**(10)**	(13)
AUD against SGD		
- strengthened	**334**	402
- weakened	**(334)**	(402)

(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 1% (2011: 2%) with all other variables including tax rate being held constant, the effects on other comprehensive income will be:

	2012	2011
	Increase/(Decrease)	
	Other comprehensive income	Other comprehensive income
	$'000	$'000
Group		
Listed in Singapore		
- increased by	**40**	80
- decreased by	**(40)**	(80)

33. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks

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

The 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 borrowings.

If the SGD interest rates has increased/decreased by 0.13% (2011: 0.01%) with all other variables including tax rate being held constant, the loss after tax would have been lower/higher by $86,000 (2011: $4,000).

(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 (2011: five) debtors of the Group represented 40% (2011: 39%) of trade receivables in 2012.

As the Group and Company does 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	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Corporate guarantees provided to banks on subsidiaries', associated companies' and joint venture's loans	**42,549**	26,695	**118,508**	64,264

33. Financial risk management (continued)

(b) Credit risk (continued)

The Group's major classes of financial assets are bank deposits and trade receivables. The Company's major classes of financial assets are bank deposits 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	
	2012	2011
	$'000	$'000
By geographical areas		
Asia	**4,755**	5,004
Australia	**5,490**	7,542
	10,245	12,546

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 receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

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	
	2012	2011
	$'000	$'000
Past due < 3 months	**2,543**	6,121
Past due 3 to 6 months	**801**	501
	3,344	6,622

33. Financial risk management (continued)

(b) *Credit risk* (continued)

Financial assets that are past due and/or impaired (continued)

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

	Group	
	2012	2011
	$'000	$'000
Gross amount	**1,040**	844
Less: Allowance for impairment	**(1,040)**	(844)
	-	-
Beginning of financial year	**844**	-
Acquired from reverse acquisition (Note 36)	**-**	1,633
Currency translation difference	**(31)**	(67)
Allowance made	**147**	14
Allowance utilised	**(62)**	(736)
Acquisition of subsidiaries	**142**	-
End of financial year	**1,040**	844

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

(c) *Liquidity risk*

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	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Group				
2012				
Trade and other payables	26,186	-	-	929
Borrowings	14,100	14,956	29,193	22,621
Financial guarantee contracts [Note 32(d)]	42,549	-	-	-
	82,835	14,956	29,193	23,550
2011				
Trade and other payables	18,392	381	731	828
Borrowings	4,181	3,260	10,356	23,376
Financial guarantee contracts [Note 32(d)]	26,695	-	-	-
	49,268	3,641	11,087	24,204

33. **Financial risk management** (continued)

(c) *Liquidity risk* (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Company				
2012				
Trade and other payables	1,904	-	-	-
Financial guarantee contracts [Note 32(d)]	118,508	-	-	-
	120,412	**-**	**-**	**-**
2011				
Trade and other payables	2,058	381	130	-
Borrowings	3	-	-	-
Financial guarantee contracts [Note 32(d)]	64,264	-	-	-
	66,325	381	130	-

(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.

Consistent with others in the industry, 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.

The gearing ratios are computed as follows:

	Group		Company	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Borrowings (Note 24)	**76,000**	37,719	**-**	3
Total net assets	**109,923**	101,012	**206,080**	199,457
Total capital	**185,923**	138,731	**206,080**	199,460
Gearing ratio	**41%**	27%	**-**	-
Gearing ratio (adjusted)*	**27%**	17%	**-**	-

* The gearing ratio (adjusted) is computed as total borrowings divided by total adjusted capital. Total adjusted capital is calculated as total borrowings plus adjusted net asset value. The adjusted net asset value is the aggregate of net assets of the Group as at 31 December 2012 and the difference arising from the market value and the carrying value of the investment properties as at 31 December 2012 (Note 20). The market value is based on valuation made by external independent professional valuers. The difference between the market value and the carrying value of the investment properties as at 31 December 2012 is not recorded in the financial statements but is used only for the computation of the gearing ratio (adjusted).

33. Financial risk management (continued)

(d) Capital risk (continued)

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2011 and 2012.

(e) Fair value measurements

	Level 1 $'000
As at 31 December 2012	
Financial assets, available-for-sale	**4,250**
As at 31 December 2011	
Financial assets, available-for-sale	4,281

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.

34. 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	
	2012 $'000	2011 $'000
Sales to associated companies	**5**	5
Purchases from associated companies	**3**	5
Management fees paid to immediate holding corporation	**-**	285
Purchase of services from immediate holding corporation	**-**	26

Outstanding balances at 31 December 2012 arising from sales and purchases of goods are set out in Notes 13 and 23, respectively.

34. Related party transactions (continued)

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2012	2011
	$'000	$'000
Wages and salaries	**1,720**	1,538
Employer's contribution to defined contribution plans, including Central Provident Fund	**72**	46
	1,792	1,584

Included in above, total compensation to directors of the Company amounted to $1,092,000 (2011: $1,041,000).

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

	Group	
	2012	2011
Number of directors of the Company in remuneration bands:		
Above $499,999	**-**	-
$250,000 to $499,999	**2**	2
Below $250,000	**4**	6
	6	8

35. 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.

The Management manages and monitors the business in two business segments which is the manufacture and sale of optical discs and related data storage products ("Optical") and provision of dormitory accommodation and services ("Dormitory").

35. **Segment information** (continued)

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2012 is as follows:

	Optical		Dormitory	Total
	$'000	$'000	$'000	$'000
	Asia	Australia		
Sales:				
Total segment sales	14,074	15,167	37,383	66,624
Inter-segment sales	(1,391)	-	(2)	(1,393)
Sales to external parties	12,683	15,167	37,381	65,231
Segment results	(224)	1,051	13,574	14,401
Finance expense	(17)	(5)	(1,958)	(1,980)
Interest income				353
Dividend income				206
Share of loss of associated companies/joint venture				(318)
Profit before income tax				12,662
Income tax expense				(3,166)
Net profit				9,496
Segment assets	18,838	11,935	156,452	187,225
Short-term bank deposits				26,303
Financial assets, available-for-sale				4,250
Tax recoverable				203
Deferred income tax assets				91
Investments in associated companies				1,363
Investment in a joint venture				4,255
Consolidated total assets				**223,690**
Segment liabilities	5,908	3,957	17,250	27,115
Borrowings	22	-	75,978	76,000
Current income tax liabilities				6,253
Deferred income tax liabilities				4,399
Consolidated total liabilities				**113,767**
Other segment items:				
- Capital expenditure	1,521	371	18,701	20,593
- Depreciation	1,667	950	6,437	9,054
- Amortisation	-	-	4,116	4,116

35. **Segment information** (continued)

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2011 is as follows:

	Optical		Dormitory	Total
	$'000	$'000	$'000	$'000
	Asia	Australia		
Sales:				
Total segment sales	7,996	9,887	12,987	30,870
Inter-segment sales	(826)	-	-	(826)
Sales to external parties	7,170	9,887	12,987	30,044
Segment results	165	1,096	8,483	9,744
Finance expense	(10)	(3)	(834)	(847)
Interest income				94
Dividend income				91
Impairment of goodwill				(12,967)
Cost relating to reverse acquisition				(111)
Share of loss of associated companies/joint venture				(673)
Loss before income tax				(4,669)
Income tax expense				(1,493)
Net loss				(6,162)
Segment assets	24,953	16,418	83,716	125,087
Short-term bank deposits				27,170
Financial assets, available-for-sale				4,281
Tax recoverable				6
Investments in associated companies				1,364
Investment in a joint venture				4,614
Consolidated total assets				**162,522**
Segment liabilities	7,889	5,003	7,440	20,332
Borrowings				37,719
Current income tax liabilities				2,652
Deferred income tax liabilities				807
Consolidated total liabilities				**61,510**
Other segment items:				
- Capital expenditure	138	76	14,349	14,563
- Depreciation	794	669	1,571	3,034

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, taxes currently recoverable 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.

35. Segment information (continued)

Geographical information

The Group's two business segments operate in three 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 manufacture and sale of optical disc;
- Malaysia – the operations in this area are principally the provision of dormitory accommodation;
- Other countries – the operations include manufacture and sale of optical disc.

	Sales	
	2012	2011
	$'000	$'000
Singapore	**43,503**	16,751
Australia	**15,167**	9,887
Malaysia	**1,501**	-
Other countries	**5,060**	3,406
	65,231	30,044

	Non-current assets	
	2012	2011
	$'000	$'000
Singapore	**124,973**	87,829
Australia	**7,966**	1,852
Malaysia	**27,290**	-
Other countries	**4,923**	11,063
	165,152	100,744

36. Reverse takeover acquisition

(i) On 1 August 2011, the Company, Centurion Corporation Limited (formerly known as SM Summit Holdings Limited) completed the proposed acquisitions as set out in the Circular to shareholders dated 30 June 2011 following which:

(a) Westlite Dormitory (Toh Guan) Pte. Ltd., formerly known as Centurion Dormitory (Westlite) Pte. Ltd. ("Westlite") has become a wholly owned subsidiary of the Company ("the Westlite Acquisition");

747,738,412 Shares were allotted and issued to Centurion Properties Pte. Ltd. and 101,964,328 Shares were allotted and issued to Mr Teo Peng Kwang respectively by the Company at the issue price of S$0.10 per Consideration Share in satisfaction of the consideration for the Westlite Acquisition;

The Westlite Shares will be acquired with all rights and benefits accruing thereto. The retained earnings of Westlite from 1 January 2011 up to 1 August 2011 and any distributions or dividends declared and/or paid out of such retained earnings ("pre-completion dividends") shall be for the account of the former shareholders of Westlite subject to the followings limit:

- The total amount of pre-completion dividends that the former shareholders of Westlite are entitled to shall not be more than (i) the net profits after tax of Westlite earned from 1 January 2011 to 1 August 2011 or (ii) $550,000 for each month (or part thereof on a prorate basis) during the period from 1 January 2011 to 1 August 2011, whichever is the lower.

(b) The Company has acquired 45% of the issued and paid up share capital of Lian Beng-Centurion (Mandai) Pte. Ltd.("the JVCo Acquisition");

100,000,000 Shares were allotted and issued to Centurion Properties Pte. Ltd. by the Company at the issue price of S$0.10 per Consideration Share in satisfaction of the consideration for the JVCo Acquisition; and

(c) Concurrently with the Westlite Acquisition, Centurion Properties Pte. Ltd. and Mr Teo Peng Kwang (Westlite Vendor) assigned their existing $17 million shareholders loan granted to Westlite, to the Company ("the Shareholders' Loan").

(d) Concurrently with the JVCo Acquisition, Centurion Properties Pte. Ltd. (JVCo vendor) assigned their existing $9.55 million loan granted to JVCo, to the Company.

36. Reverse takeover acquisition (continued)

(i) (continued)

On 1 August 2011, the Company transferred its investment in Westlite and Lian Beng-Centurion (Mandai) Pte. Ltd. to a 100% newly wholly-owned incorporated company Centurion Dormitories Pte. Ltd. in exchange for loans and via the issuance of shares, amounting to $121.46 million and $2 million respectively. Loans are interest free and with no fixed terms of repayment ("the Dormitory reorganisation").

The name of the Company was changed from "SM Summit Holdings Limited" to "Centurion Corporation Limited".

On 12 August 2011, the Company consolidated every two Shares into one Consolidated Share.

On 17 October 2011, the Company completed the proposed compliance placement in compliance with the requirement under Rule 210(1)(a) of the Listing Manual that at least 25% of the issued share capital of the Company must be held by at least 500 Shareholders who are members of the public. 100 million Placement Shares at a Placement Price of S$0.21 per share have been placed to investors under the Compliance Placement.

(ii) Accounting for the Westlite Acquisition

<u>At Group Level</u>

The Westlite Acquisition has been accounted for as a reverse acquisition, as the shareholders of Westlite become the majority shareholders in the Group. The legal subsidiary (i.e. Westlite) is therefore considered the acquirer for accounting purposes. Accordingly, the Group's consolidated financial statements for the financial year ended 31 December 2011 have been prepared as a continuation of Westlite's financial statements.

Since such consolidated financial statements represent a continuation of the financial statements of the legal subsidiary (i.e. Westlite),

(a) the assets and liabilities of the legal subsidiary (i.e. Westlite) are recognised and measured at their pre-combination carrying amounts.

(b) the assets and liabilities of the legal parent (i.e. the Company) are recognised and measured at fair value in accordance with FRS103 "Business Combinations".

36. Reverse takeover acquisition (continued)

(ii) Accounting for the Westlite Acquisition (continued)

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the legal subsidiary (i.e. Westlite) immediately before the business combination.

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary (i.e. Westlite) outstanding immediately before the business combination to the cost of reverse acquisition determined based on the share price of the Company at the acquisition date amounting to $125.76 million. However, the equity structure (i.e. the number and type of equity interests issued) reflects the equity structure of the Company, including the equity interests the legal parent issued to effect the combination. Accordingly, the equity structure of the legal subsidiary (i.e. Westlite) is restated using the exchange ratio established in the acquisition agreement in the comparative period to reflect the Company's equivalent number of shares.

(e) Earnings per share has been restated and reflects the results of the legal subsidiary (i.e. Westlite) till the date of the acquisition, and the results of the Group from the acquisition date onwards. In addition, the earnings per share has been retrospectively adjusted to take into account the share consolidation of every two shares in the capital of the Company into one consolidated share.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the Centurion Corporation Limited Group (the legal parent and its subsidiaries, prior to the reverse acquisition). Therefore, the cost of the reverse acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the Centurion Corporation Limited Group at their fair values as at 1 August 2011. The excess of the cost of the reverse acquisition over the net fair value of those items amounting to $12.97 million is recognised as goodwill on the consolidated balance sheet (Note 22).

36. Reverse takeover acquisition (continued)

(ii) Accounting for the Westlite Acquisition (continued)

The novation of the shareholders' loan is accounted for as a contribution from shareholders in the statement of changes in equity.

Pre-completion dividends payable to the former shareholders of Westlite for the Westlite profits for the period from 1 January 2011 to 31 July 2011 are recognised as a liability.

<u>At Company Level</u>

Reverse acquisition accounting applies only in the consolidated financial statements. Therefore, in the legal parent's (i.e. Centurion Corporation Limited's) separate financial statements, the investment in the legal subsidiary (i.e. Westlite) and the shareholders' loan are accounted for at their cost of $108 million and $17 million respectively, based on the fair value of the equity instruments issued by the Company as at the acquisition date.

Subsequently, as a result of the Dormitory reorganisation, the $108 million investment in Westlite was derecognised in exchange for a loan to Centurion Dormitories Pte. Ltd and investment in Centurion Dormitories Pte. Ltd amounting to $106 million and $2 million respectively.

(iii) Accounting for the JVCo Acquisition

The investment and the loan in the JVCo are accounted for at their cost of $5.25 million and $9.55 million respectively, based on the fair value of the equity instruments issued by the Company as at the acquisition date (Note 18).

Subsequently, as a result of the Dormitory reorganisation, the investment and the loan in the JVCo was derecognised in exchange for a loan to Centurion Dormitories Pte. Ltd. of the same amount.

36. Reverse takeover acquisition (continued)

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

		At fair value $'000
(a)	Identifiable assets acquired and liabilities assumed of Centurion Corporation Limited Group:	
	Cash and cash equivalents	18,525
	Trade and other receivables	13,003
	Inventories	3,378
	Other current assets	1,784
	Investment in associated companies	1,323
	Property, plant and equipment	13,238
	Financial assets, available-for-sale	4,565
	Intangible assets	64
	Total assets	55,880
	Trade and other payables	(10,446)
	Current tax liabilities	(791)
	Borrowings	(255)
	Deferred income tax liabilities	(1,055)
	Other payables	(2,661)
		(15,208)
	Total identifiable net assets	40,672

	At fair value $'000
Purchase consideration	
Issuance of shares in the Company	53,639
Goodwill (Note 22)	12,967
Net cash inflow on acquisition for consolidated statement of cash flows	16,935

(b) Acquisition-related costs

Acquisition-related costs of $111,000 are included in administrative expenses in the consolidated income statement and operating cash flows in the consolidated statement of cash flows.

36. Reverse takeover acquisition (continued)

(iv) (continued)

(c) Acquired trade and other receivables

The fair value of trade and other receivables is $13,002,000 and include trade receivables with a fair value of $8,603,000. The gross contractual amount for trade receivables due is $8,603,000 of which $Nil is expected to be uncollectible.

(d) Revenue and profit contribution

The acquired group contribution revenue of $17,057,000 and net profit of $1,479,000 to the Group for the period 1 August 2011 to 31 December 2011.

Had the Centurion Corporation Limited Group (the legal parent and its subsidiaries, prior to the reverse acquisition) been consolidated from 1 January 2011, consolidated revenue and consolidated loss after tax for the year ended 31 December 2011 would have been $50,030,000 and $8,760,000* respectively.

* Includes acquisition-related cost of $1,633,000 of which, $1,522,000 was charged to expenses as at 30 June 2011.

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. Events occurring after balance sheet date

On 24 January 2013, the Group acquired the remaining 10% equity interest in its existing subsidiary, Dormitory Investment Private Limited ("DIPL"), for a cash consideration of S$4,825,000. As this is a change in the Group's ownership interest in DIPL that does not result in a change in control over the subsidiary, this will be accounted for as a transaction with equity owners of the Group, in the year ending 31 December 2013. The 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.

38. Events occurring after balance sheet date (continued)

On 8 March 2013, the Group acquired 100% equity interest in Twice Moderate Sdn Bhd ("Twice Moderate") for a cash consideration of S$60,124 and to provide an advance sum of S$2,137,692. Twice Moderate is a company incorporated in Malaysia, which is the registered owner of a plot of land, for the development of a workers' dormitory with an approximate capacity of 6,000 beds. Details of the assets acquired and liabilities assumed, revenue and profit contribution of Twice Moderate, and the effect on the cash flows for the Group are not disclosed, as the accounting for this acquisition is still incomplete at the time these financial statements have been authorised for issue. Twice Moderate will be consolidated with effect from 8 March 2013.

On 8 March 2013, the Group acquired 100% equity interest in Skyhutch Intelligent Sdn Bhd ("Skyhutch") for a cash consideration of S$4 and to provide an advance sum of S$1,482,007. Skyhutch is a company incorporated in Malaysia, which is the registered owner of two plots of land, together with two dormitory blocks erected thereon, undergoing refurbishments and when completed, will have an approximate capacity of 1,000 beds. Details of the assets acquired and liabilities assumed, revenue and profit contribution of Skyhutch, and the effect on the cash flows for the Group are not disclosed, as the accounting for this acquisition is still incomplete at the time these financial statements have been authorised for issue. Skyhutch will be consolidated with effect from 8 March 2013.

On 11 March 2013, Centurion Dormitories Sdn Bhd ("CDSB"), an indirect subsidiary of the Company, has incorporated a wholly-owned subsidiary in Malaysia, known as WLC Management Services Sdn Bhd ("WLCSB"). WLCSB is principally engaged in the business of providing services that relates to the operation and management of workers' dormitories. The incorporation of WLCSB is funded by internal resources and is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2013.

39. 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 2013 or later periods and which the Group has not early adopted:

- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 110 replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group has yet to assess the full impact of FRS 110 and intends to apply the standard from 1 January 2014.

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

  The Group has yet to assess the full impact of FRS 111 and intends to adopt the standard from 1 January 2014.

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group has yet to assess the full impact of FRS 112 and intends to adopt the standard from 1 January 2014.

- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 January 2013)

  FRS 113 provides consistent guidance across IFRSs on how fair value should be determined and which disclosures should be made in the financial statements. The Group has yet to assess the full impact of FRS 113 and intends to adopt the standard from 1 January 2013.

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 28 March 2013.

AUDITED FINANCIAL STATEMENTS OF CENTURION CORPORATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The information in this Appendix III has been reproduced from the audited financial statements of Centurion Corporation Limited and its subsidiaries for FY2013 and has not been specifically prepared for inclusion in this Information Memorandum.

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 7 to 98, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2013, 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 2013, 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, 27 March 2014

CENTURION CORPORATION LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 December 2013

	Note	**2013** **$'000**	2012 $'000 (restated)
Revenue	4	**66,432**	65,231
Cost of sales	5	**(31,707)**	(33,714)
Gross profit		**34,725**	31,517
Other income	6	**1,681**	1,718
Expenses			
- Distribution	5	**(2,021)**	(2,013)
- Administrative	5	**(12,153)**	(11,031)
- Finance	8	**(2,527)**	(1,980)
Share of profit/(loss) of associated companies and joint venture	17,18	**37,173**	(2,753)
		56,878	15,458
Other (losses)/gains – net	7	**(4,305)**	550
Fair value gain on Group's investment properties	20	**43,122**	3,127
Profit before income tax		**95,695**	19,135
Income tax expense	10(a)	**(3,537)**	(3,138)
Net profit		**92,158**	15,997
Profit attributable to:			
Equity holders of the Company		**92,158**	15,218
Non-controlling interests		**-**	779
		92,158	15,997
Earnings per share attributable to equity holders of the Company			
Basic earnings per share	11(a)	**12.19 cents**	2.01 cents
Diluted earnings per share	11(b)	**12.17 cents**	2.01 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2013

	Note	**2013 $'000**	2012 $'000 (restated)
Net profit for the year		**92,158**	15,997
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Fair value gains/(losses)	29(b)(i)	**271**	(31)
Currency translation losses arising from consolidation	29(b)(ii)	**(3,426)**	(1,651)
Other comprehensive loss, net of tax		**(3,155)**	(1,682)
Total comprehensive income		**89,003**	14,315
Total comprehensive income attributable to			
Equity holders of the Company		**89,003**	13,536
Non-controlling interests		**-**	779
		89,003	14,315

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

CENTURION CORPORATION LIMITED
AND ITS SUBSIDIARIES

BALANCE SHEETS
As at 31 December 2013

	Note	Group			Company	
		2013	2012	2011	**2013**	2012
		$'000	$'000 (restated)	$'000 (restated)	**$'000**	$'000
ASSETS						
Current assets						
Cash and cash equivalents	12	**44,374**	41,027	38,584	**19,480**	4,235
Trade and other receivables	13	**11,195**	14,065	18,829	**12,391**	12,085
Inventories	14	**994**	1,592	2,497	**-**	-
Other current assets	15	**11,083**	1,854	1,868	**2,224**	24
		67,646	58,538	61,778	**34,095**	16,344
Non-current assets						
Trade and other receivables	13	**-**	-	9,550	**264,932**	176,353
Other non-current assets	15	**265**	-	-	**265**	-
Financial assets, available-for-sale	16	**2,521**	4,250	4,281	**2,521**	4,250
Investments in associated companies	17	**1,348**	1,363	1,364	**1,298**	1,298
Investment in a joint venture	18	**52,569**	15,438	18,232	**-**	-
Investments in subsidiaries	19	**-**	-	-	**10,046**	9,946
Investment properties	20	**368,712**	211,523	151,545	**-**	-
Property, plant and equipment	21	**6,019**	12,264	10,681	**119**	116
Deferred income tax assets	27	**91**	91	-	**-**	-
Intangible assets	22	**16,673**	21,676	64	**-**	-
		448,198	266,605	195,717	**279,181**	191,963
Total assets		**515,844**	325,143	257,495	**313,276**	208,307
LIABILITIES						
Current liabilities						
Trade and other payables	23	**25,850**	26,186	18,392	**3,343**	1,904
Current income tax liabilities	10	**6,908**	6,253	2,652	**133**	294
Borrowings	24	**17,357**	12,710	3,697	**-**	-
		50,115	45,149	24,741	**3,476**	2,198
Non-current liabilities						
Borrowings	24	**168,833**	63,290	34,022	**98,661**	-
Other liabilities	26	**871**	929	1,940	**-**	-
Deferred income tax liabilities	27	**3,104**	4,371	807	**25**	29
		172,808	68,590	36,769	**98,686**	29
Total liabilities		**222,923**	113,739	61,510	**102,162**	2,227
NET ASSETS		**292,921**	211,404	195,985	**211,114**	206,080
EQUITY						
Capital and reserves attributable to the equity holders of the Company						
Share capital	28	**89,431**	89,431	89,431	**200,742**	200,742
Other reserves	29	**12,334**	15,489	17,171	**509**	238
Retained profits	30	**191,156**	102,358	89,408	**9,863**	5,100
		292,921	207,278	196,010	**211,114**	206,080
Non-controlling interests		**-**	4,126	(25)	**-**	-
Total equity		**292,921**	211,404	195,985	**211,114**	206,080

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2013

	Note	← Attributable to equity holders of the Company			→		
		Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2013							
Beginning of financial year (as previously reported)		**89,431**	**15,482**	**1,308**	**106,221**	**3,702**	**109,923**
Effect of the change in accounting policy		-	7	101,050	101,057	424	101,481
Beginning of financial year (as restated)		**89,431**	**15,489**	**102,358**	**207,278**	**4,126**	**211,404**
Dividends relating to financial year 2012 final paid	31	-	-	(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 comprehensive (expense)/income for the year		-	(3,155)	92,158	89,003	-	89,003
End of financial year		**89,431**	**12,334**	**191,156**	**292,921**	**-**	**292,921**
2012							
Beginning of financial year (as previously reported)		**89,431**	**17,171**	**(5,565)**	**101,037**	**(25)**	**101,012**
Effect of the change in accounting policy		-	-	94,973	94,973	-	94,973
Beginning of financial year (as restated)		**89,431**	**17,171**	**89,408**	**196,010**	**(25)**	**195,985**
Dividends relating to financial year 2012 interim paid	31	-	-	(2,268)	(2,268)	-	(2,268)
Dividends paid to non-controlling interest of a subsidiary		-	-	-	-	(1,050)	(1,050)
Non-controlling interest's share in a subsidiary		-	-	-	-	4,397	4,397
		89,431	**17,171**	**87,140**	**193,742**	**3,322**	**197,064**
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest		-	-	-	-	25	25
Total comprehensive (expense)/income for the year		-	(1,682)	15,218	13,536	779	14,315
End of financial year (as restated)		**89,431**	**15,489**	**102,358**	**207,278**	**4,126**	**211,404**

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

CENTURION CORPORATION LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000 (restated)
Cash flows from operating activities			
Net profit		**92,158**	15,997
Adjustments for:			
- Income tax expense		**3,537**	3,138
- Depreciation and amortisation		**7,973**	7,389
- Allowance for impairment of trade and other receivables		**251**	299
- Net loss on disposal of property, plant and equipment		**14**	35
- Impairment of property, plant and equipment		**3,865**	-
- Fair value gain on investment properties		**(43,122)**	(3,127)
- Interest income		**(372)**	(353)
- Dividend income		**(188)**	(206)
- Interest expense		**2,527**	1,980
- Share of (profit)/loss of associated companies and joint venture (net)		**(37,173)**	2,753
- Impairment of goodwill/negative goodwill written off		**64**	(30)
- Impairment in investment in associated company		**2**	-
- Currency translation differences		**(274)**	(21)
Operating cash flow before working capital changes		**29,262**	27,854
Change in working capital			
- Inventories		**598**	939
- Trade and other receivables		**2,617**	6,628
- Other current assets		**(506)**	296
- Trade and other payables		**(261)**	(444)
Cash generated from operations		**31,710**	35,273
Income tax paid		**(3,903)**	(3,351)
Net cash provided by operating activities		**27,807**	31,922
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**77**	67
Proceeds from redemption of financial assets, available-for-sale		**2,000**	-
Additions of investment properties		**(112,253)**	(17,251)
Purchases of property, plant and equipment		**(1,764)**	(3,342)
Acquisition of interest in subsidiaries, net of cash acquired	19(b)	**(3,677)**	(43,408)
Loan repaid from joint venture		**-**	9,550
Dividend received		**188**	206
Interest received		**372**	353
Short-term deposits released as security to bank		**-**	1,568
Short-term deposits released/(charged) as escrow settled		**3,744**	(3,744)
Short-term bank deposits charged		**4**	(820)
Deposits paid for acquisition of investment property		**(9,137)**	-
Net cash used in investing activities		**(120,446)**	(56,821)
Cash flows from financing activities			
Acquisition of additional interest in a subsidiary		**(4,469)**	(3,328)
Proceeds from borrowings		**123,688**	44,389
Repayment of borrowings		**(13,079)**	(9,951)
Interest paid		**(2,527)**	(1,980)
Dividends paid to shareholders		**(3,018)**	(2,268)
Dividends paid in relation to pre-completion dividends		**-**	(1,095)
Dividends paid to non-controlling interest of a subsidiary		**-**	(1,050)
Net cash provided by financing activities		**100,595**	24,717
Net increase/(decrease) in cash and cash equivalents held		**7,956**	(182)
Cash and cash equivalents at the beginning of the financial year		**36,460**	36,906
Effects of exchange rate changes on cash and cash equivalents		**(858)**	(264)
Cash and cash equivalents at the end of the financial year	12	**43,558**	36,460

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 the subsidiaries are as follows:

- owning and providing workers and students accommodation and services ("Accommodation Business");
- manufacturing and providing services relating to optical storage media ("Optical Disc Business").

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 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 2013

On 1 January 2013, 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.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2013 (continued)

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

Amendment to FRS 1 Presentation of Financial Statements – Clarification of the requirements for comparative information

This amendment arose from Annual Improvements to FRSs issued by the Accounting Standards Council in August 2012. The amendment clarified that when an entity presents a balance sheet at the beginning of the preceding period, it need not present the related notes to that balance sheet if that balance sheet was required as a result of either:
- retrospective application of an accounting policy, or
- retrospective restatement or reclassification of items in the financial statements.

However, when an entity chooses to present FRS-compliant comparative financial statements in addition to the minimum comparatives required, the entity shall present related note information for those additional statements.

FRS 113 Fair Value Measurement

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 into the financial statements.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Sales comprises 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, when 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 sales of goods is recognised when a Group entity has delivered the products to the customers and the customers have accepted the products and collectibility of the related receivables is reasonably assured.

(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 incentive given to the lessees) is recognised on a straight-line basis over the lease term.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

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

(f) 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.

2. Significant accounting policies (continued)

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated 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 are that part of the net results of operations and of net assets of a subsidiary 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, consolidated 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.

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 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 the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from re-measurement are recognised in profit or loss.

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 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 fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.6(a) for the accounting policy on goodwill subsequent to initial recognition.

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

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(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.

(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.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(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%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less any impairment losses.

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements using equity method of accounting as described in (ii) below.

(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 or joint ventures represents the excess of the cost of acquisition of the associate or joint ventures over the Group's share of the fair value of the identifiable net assets of the associate 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 and 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, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated companies or joint venture.

2. **Significant accounting policies** (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint ventures* (continued)

(ii) *Equity method of accounting* (continued)

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

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies or joint ventures are recognised in profit or loss.

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

2. Significant accounting policies (continued)

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 Group and the cost of the item can be measured reliably. All repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within 'Other (losses)/gains – net'.

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 the profit or loss for the period in which they arise.

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 capitalized 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 the profit or loss. The cost of maintenance, repairs and minor improvements is recognised in the 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 (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed.

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

Goodwill on associated companies 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 are 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, whichever 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-rated 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 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 flows 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.

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

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

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

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

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

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

2.10 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 financial assets, 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 maturing 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 receivable from subsidiaries which have been accounted for in accordance with Note 2.8.

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(a) *Classification* (continued)

(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 management intends to dispose of the assets within 12 months after the balance sheet date.

(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 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 asset*

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 recognised in other comprehensive income is transferred 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. Significant accounting policies (continued)

2.10 Financial assets (continued)

(f) Offsetting 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.

2.11 Financial guarantees

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

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

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries, associated companies and joint venture's borrowings, unless it is probable that the Group and 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 Group's and Company's balance sheets.

Intra-group transactions are eliminated on consolidation.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has 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. Significant accounting policies (continued)

2.13 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.

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

2.15 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 the 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.

2. **Significant accounting policies** (continued)

2.15 Leases (continued)

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

(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.

Leases of investment properties, including the dormitories 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.

2.16 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 applicable variable selling expenses.

2. Significant accounting policies (continued)

2.17 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 venture, 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.

2. Significant accounting policies (continued)

2.18 Employee compensation

The Group's contributions are recognised as employee compensation expense when they are due, unless they can 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.

(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. Significant accounting policies (continued)

2.19 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 Dollar, 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 translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other (losses)/gains – net".

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

2. Significant accounting policies (continued)

2.19 Currency translation (continued)

(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 date of the balance sheet;

(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 exchange currency translation differences are recognised 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 on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

2.20 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.

2.21 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.

2. **Significant accounting policies** (continued)

2.22 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.

2.23 Dividends to the Company's shareholders

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

3. Critical accounting estimates, assumptions and judgements

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

(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 20).

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

3. Critical accounting estimates, assumptions and judgements (continued)

(c) *Income taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(d) *Estimated impairment of plant, machinery and equipment*

Plant, machinery and equipment is tested for impairment whenever there is any objective evidence or indication that the asset may be impaired. The Group considers the guidance of FRS 36 in assessing whether there is any objective evidence or indication that the above asset may be impaired. If any such indication exists, the recoverable amount of the plant and equipment is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value-in-use.

Plant, machinery and equipment of the optical business segment were subject to impairment tests during the financial year ended 31 December 2013. In determining the impairment loss to be recorded, management has estimated the recoverable amount of the asset based on value-in-use calculations. These calculations require the use of estimates (Note 21).

(e) *Renewal of sub-lease extension for dormitory at Tuas Lodge 1*

The subsidiary of the Company, Westlite Dormitory Investments Pte Ltd (“DIPL”), entered into a sub-tenancy lease agreement with Building & Construction Authority (“BCA”) and is in the second term of a 3-year period sub-tenancy lease from 1 May 2011 to 29 April 2014. The Group has submitted its renewal application and the application is currently being processed by BCA. Based on the sub-tenancy lease agreement, the renewal is subject to the satisfactory performance of the covenants and conditions stipulated in the sub-tenancy agreement for the second term and approvals of all relevant authorities of plans for the upgrading or improvement works. The outcome of the application is still pending as at the date of this report.

3. Critical accounting estimates, assumptions and judgements (continued)

(e) *Renewal of sub-lease extension for dormitory at Tuas Lodge 1* (continued)

At 31 December 2013, the fair value of Tuas Lodge 1 of $35.4 million, which includes net book value of the favourable lease component of $16.5 million has been performed on the basis that the renewal can be obtained. The external valuer performing the valuation indicates that the renewal of the term is more likely than not given that there are no material breaches noted.

In the event that the application for extension is not approved, the full amount of $35.4 million would be written off to profit or loss in 2014.

4. Revenue

	Group	
	2013	2012
	$'000	$'000
Sales of goods	**19,144**	28,359
Services rendered	**338**	109
Rental income from investment properties (Note 20)	**29,845**	25,329
Service charges from investment properties (Note 20)	**16,167**	10,847
Others	**938**	587
Total sales	**66,432**	65,231

5. Expenses by nature

	Group	
	2013	2012
	$'000	$'000 (restated)
Purchase of raw materials and consumables	**5,391**	8,483
Changes in inventories	**598**	905
Depreciation of property, plant and equipment (Note 21)	**3,034**	3,273
Amortisation of intangible asset [Note 22(b)]	**4,939**	4,116
Allowance for impairment of trade and other receivables	**251**	299
Property tax	**1,256**	908
Employee compensation (Note 9)	**12,565**	11,690
Rental on operating leases	**3,644**	3,475
Utilities	**4,508**	4,248
Repairs and maintenance	**1,915**	1,656
Insurance	**338**	383
Freight outwards	**246**	277
Security and card system expenses	**521**	443
Laundry expense	**618**	932
Legal and professional fees	**990**	1,036
Others	**5,067**	4,634
Total cost of sales, distribution, administrative and other expenses	**45,881**	46,758

6. Other income

	Group	
	2013	2012
	$'000	$'000
Rental income	**1,121**	1,159
Interest income	**372**	353
Dividend income	**188**	206
	1,681	1,718

7. Other (losses)/gains - net

	Group	
	2013	2012
	$'000	$'000
Currency exchange loss – net	**(486)**	(399)
Net loss on disposal of plant and equipment	**(14)**	(35)
Write-back of provisions no longer required	**-**	600
Impairment of goodwill [Note 22(a)]/Negative goodwill written off	**(64)**	30
Impairment of property, plant and equipment* (Note 21)	**(3,865)**	-
Others	**124**	354
Other (losses)/gains – net	**(4,305)**	550

* Included in the impairment of property, plant and equipment is an impairment charge of $58,000 on the spare parts recorded under other assets.

8. Finance expenses

	Group	
	2013	2012
	$'000	$'000
Interest expense:		
- bank borrowings and overdrafts	**3,532**	1,731
- finance lease liabilities	**3**	13
- bank facility fees	**-**	428
Less: Amount capitalised in investment property	**(1,008)**	(192)
Finance expenses recognised in profit or loss	**2,527**	1,980

Borrowing costs on general financing were capitalised at a rate of 0.87% (2012: 1.19%).

9. Employee compensation

	Group	
	2013	2012
	$'000	$'000
Wages and salaries	**11,258**	10,364
Employer's contribution to defined contribution plans, including Central Provident Fund	**1,215**	1,222
Post-employment benefits [Note 26(b)]	**92**	104
	12,565	11,690

10. Income taxes

(a) Income tax expense

	Group 2013 $'000	Group 2012 $'000 (restated)
Tax expense attributable to the profit is made up of:		
Current income tax		
- Singapore	**4,685**	4,077
- Foreign	**153**	38
	4,838	4,115
Deferred income tax (Note 27)	**(1,018)**	(913)
	3,820	3,202
(Over)/under provision in prior financial years		
- Singapore income tax	**(207)**	(78)
- Foreign income tax	**-**	14
- Deferred tax (Note 27)	**(76)**	-
	3,537	3,138

The tax on the Group's profit before tax and share of (profit)/loss of associated companies and joint venture differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group 2013 $'000	Group 2012 $'000 (restated)
Profit before tax from continuing operations	**95,695**	19,135
Share of (profit)/loss of associated companies and joint venture, net of tax	**(37,173)**	2,753
Profit before tax and share of (profit)/loss of associated companies and joint venture	**58,522**	21,888
Tax calculated at a tax rate of 17% (2012: 17%)	**9,949**	3,721
Effects of:		
- different tax rates in other countries	**(565)**	101
- statutory stepped income exemption	**(54)**	(101)
- expenses not deductible for tax purposes	**1,658**	593
- income not subject to tax	**(7,312)**	(625)
- utilisation of previously unrecognised tax losses	**(21)**	(439)
- utilisation of previously unrecognised capital allowances	**(11)**	-
- unrecognised deferred tax assets	**392**	19
- others	**(216)**	(67)
	3,820	3,202

10. Income taxes (continued)

(a) Income tax expense (continued)

Deferred income tax assets of approximately $2,077,000 (2012: $1,510,000) for the Group have not been recognised for unutilised tax losses and capital allowances of certain subsidiaries as there is no reasonable certainty that future taxable profits will be available for utilisation of these temporary differences. As at 31 December 2013, total balances of unutilised tax losses and capital allowances available for offset against future taxable income are disclosed in Note 27 to the financial statements.

(b) Movements in current tax liabilities/(recoverable) – net

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000 (restated)	**$'000**	$'000
Beginning of financial year	**6,050**	2,646	**294**	375
Currency translation difference	**20**	5	**-**	-
Acquisition of subsidiaries (Note 19)	**-**	2,699	**-**	-
Income tax paid - net	**(3,903)**	(3,351)	**(28)**	(39)
Tax expense	**4,838**	4,115	**26**	37
Overprovision in prior financial years	**(207)**	(64)	**(159)**	(79)
End of financial year	**6,798**	6,050	**133**	294

The current income tax account comprises the following:

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Current income tax recoverable (Included in Other current assets - Note 15)	**(110)**	(203)	**-**	-
Current income tax liabilities	**6,908**	6,253	**133**	294
	6,798	6,050	**133**	294

11. Earnings per share

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

	2013	2012 (restated)
Net profit attributable to equity holders of the Company ($'000)	**92,158**	15,218
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**756,061**	756,061
Basic earnings per share	**12.19 cents**	2.01 cents

(b) Diluted earnings per share

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

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

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	2013	2012 (restated)
Net profit used to determine diluted earnings per share ($'000)	**92,158**	15,218
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**756,061**	756,061
Adjustments for ('000)		
- Warrants	**1,119**	-
	757,180	756,061
Diluted earnings per share ($ per share)	**12.17 cents**	2.01 cents

12. Cash and cash equivalents

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**15,699**	14,724	**2,164**	594
Short-term bank deposits	**28,675**	26,303	**17,316**	3,641
	44,374	41,027	**19,480**	4,235

As at 31 December 2013, short-term bank deposits at the balance sheet date have an average maturity of 3 months (2012: 3 months) from the end of the financial year with the following weighted average effective interest rates:

	Group		Company	
	2013	2012	**2013**	2012
	%	%	**%**	%
Singapore Dollar	**0.47**	0.74	**0.39**	0.65
Australian Dollar	**1.14**	2.36	**1.14**	1.80

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

	Group	
	2013	2012
	$'000	$'000
Cash and bank balances (as above)	**44,374**	41,027
Less: Bank overdrafts (Note 24)	**-**	(3)
Short-term bank deposits charged as security to bank	**(816)**	(820)
Restricted short-term bank deposits	**-**	(3,744)
Cash and cash equivalents per consolidated statement of cash flows	**43,558**	36,460

As at 31 December 2013, short-term bank deposits of the Group amounting to $816,000 (2012: $820,000) were charged as security to a bank as a guarantee in relation to a lease agreement. 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. The amount was released during the financial year.

13. Trade and other receivables

(a) Current

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Trade receivables – third parties	**8,201**	11,285	**66**	56
Less: Allowance for impairment	**(999)**	(1,040)	**-**	-
	7,202	10,245	**66**	56
Receivables from subsidiaries				
- trade	**-**	-	**4,465**	2,883
- non-trade	**-**	-	**6,049**	6,361
Receivables from associated companies/joint venture				
- trade	**2**	-	**-**	-
- non-trade	**159**	162	**29**	53
Loans to subsidiaries	**-**	-	**11,578**	11,578
Loans to associated companies	**6,205**	6,123	**-**	-
	6,366	6,285	**22,121**	20,875
Less: Allowance for impairment	**(2,659)**	(2,682)	**(9,833)**	(8,908)
	3,707	3,603	**12,288**	11,967
Other receivables	**286**	217	**37**	62
	11,195	14,065	**12,391**	12,085

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

(b) Non-current

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Loans to subsidiaries	**-**	-	**264,932**	176,353
Loans to an associated company	**432**	432	**432**	432
Less: Allowance for impairment	**(432)**	(432)	**(432)**	(432)
	-	-	**264,932**	176,353

The loans to subsidiaries are unsecured with no fixed terms of repayment but are not expected to be repaid within the next twelve months. Included in the loans to subsidiaries is an amount of $89,773,000 (2012: $6,999,000) which bears interest at 2.5% - 5.5% (2012: 2%) per annum.

13. Trade and other receivables (continued)

(b) Non-current (continued)

Included in the loans to subsidiaries is an amount of $264,932,000 (2012: $176,353,000) which are considered to be part of the Company's net investment in the subsidiaries.

At the balance sheet date, the carrying amounts of the non-current loans approximated their fair value.

14. Inventories

	Group	
	2013	2012
	$'000	$'000
Finished goods	**93**	112
Work-in-progress	**34**	21
Raw materials	**935**	1,535
Less: Allowance for stock obsolescence	**(68)**	(76)
	994	1,592

The cost of inventories recognised as expense and included in "cost of sales" amounted to $5,989,000 (2012: $9,388,000).

15. Other assets

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Current				
Deposits	**10,693**	1,333	**2,071**	2
Prepayments	**280**	318	**153**	22
Tax recoverable [Note 10(b)]	**110**	203	**-**	-
	11,083	1,854	**2,224**	24
Non-current				
Deposits	**265**	-	**265**	-

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

16. Available-for-sale financial assets

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**4,250**	4,281	**4,250**	4,281
Fair value gains/(losses) recognised in other comprehensive income [Note 29(b)(i)]	**271**	(31)	**271**	(31)
Disposals	**(2,000)**	-	**(2,000)**	-
End of financial year	**2,521**	4,250	**2,521**	4,250

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

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Listed equity securities – Singapore	**2,521**	4,250	**2,521**	4,250

The fair value of listed equities are based on quoted market prices at the balance sheet date.

17. Investments in associated companies

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Equity investment, at cost			**3,735**	3,735
Less: Accumulated impairment			**(370)**	(2,437)
Less: Disposal of investment in associated company			**(2,067)**	-
			1,298	1,298
Beginning of financial year	**1,363**	1,364		
Currency translation difference	**(55)**	(42)		
Provision for dimunition in investments	**(2)**	-		
Share of profit	**42**	41		
End of financial year	**1,348**	1,363		

17. Investments in associated companies (continued)

(a) The summarised financial information of associated companies, not adjusted for the proportion ownership interest held by the Group, is as follows:

	2013	2012
	$'000	$'000
- Assets	**9,754**	10,445
- Liabilities	**7,276**	7,447
- Revenue	**634**	2,606
- Net profit/(loss)	**14**	(760)

The Group has not recognised its share of losses of associated companies amounting to $28,000 (2012: $33,000) 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 $54,000 (2012: $22,000) at the balance sheet date.

(b) The associated companies of Centurion Corporation Limited are as follows:

Name of companies	Principal activities	Country of incorporation and business carried on in	Equity holding	
			2013	2012
			%	%
Held directly by the Company				
Sherford (M) Sdn Bhd+	Property investment	Malaysia	**25**	25
WOW Vision Pte Ltd ^	Provision of wireless applications and solutions	Singapore	**-**	34
Held by subsidiaries				
Shanghai Huade Photoelectron Science & Technology Co. Ltd* ++	Manufacture and replication of compact discs, data storage products and related components	People's Republic of China	**49**	49
AVSM Logistics Pte Ltd ^	Provide warehousing and logistic services	Singapore	**40**	40
Typhoon Creations Pte Ltd ^	Marketing services	Singapore	**20**	20

\+ Audited by M.S. Wong & Co.
* Audited by Shanghai LSC Certified Public Accountants Co., Ltd.
++ Holdings through Advance Technology Investment Limited.
^ Audited by Messrs James Chan & Partners.

18. Investment in a joint venture

	Group	
	2013	2012
	$'000	$'000
		(restated)
Beginning of financial year	**15,438**	18,232
Share of profits/(losses)	**37,131**	(2,794)
End of financial year	**52,569**	15,438

(a) The Group has a 45% equity interest in Lian Beng-Centurion (Mandai) Pte Ltd. The investment in the joint venture is held by Centurion Dormitories Pte Ltd, a wholly-owned subsidiary of the Company. The principal activity of the joint venture is to develop property and operate workers' dormitories.

(b) The summarised financial information of joint venture, adjusted for the proportion ownership interest by the Group and the Group's share on the fair value gain/(loss) of investment property held by a joint venture, is as follows:

	2013	2012
	$'000	$'000
		(restated)
- Assets	**63,302**	50,593
- Liabilities	**61,333**	50,688
- Revenue	**4,863**	-
- Net profit/(loss)	**3,015**	(359)
- Fair value gain/(loss) on joint venture's investment property	**34,116**	(2,435)
Capital commitments in relation to interest in joint venture	**3,484**	59,222
Proportionate interest in joint venture's capital commitments	**1,568**	26,650

19. Investments in subsidiaries

(a)

	Company	
	2013	2012
	$'000	$'000
Equity investment, at cost	**15,094**	14,994
Less: Accumulated impairment	**(5,048)**	(5,048)
	10,046	9,946

19. **Investments in subsidiaries** (continued)

(b) Acquisition of subsidiaries

2013

(i) Acquisition of Westlite Dormitory (PG II) Sdn Bhd (Formerly known as Skyhutch Intelligent 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	
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.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2013 (continued)

(i) Acquisition of Westlite Dormitory (PG II) Sdn Bhd (Formerly known as Skyhutch Intelligent 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 (Formerly known as Twice Moderate 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	
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.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2013 (continued)

(ii) Acquisition of Westlite Dormitory (SN II) Sdn Bhd (Formerly known as Twice Moderate 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% in Westlite Dormitory Investments Private Limited (Formerly known as Dormitory Investments Private Limited)

On 24 January 2013, the Group acquired the remaining 10% stake 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 recognized within equity attributable to the equity holders of the Company.

2012

(i) Acquisition of Westlite Dormitory (Tebrau) Sdn Bhd (Formerly known as Alpha Sunshine Sdn Bhd)

On 10 February 2012, the Group acquired 100% equity interest in Westlite Dormitory (Tebrau) Sdn Bhd. Westlite Dormitory (Tebrau) Sdn Bhd operates a newly built and operational dormitory with a capacity of 2,600 beds in Tebrau IV located in Johor, Malaysia.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(i) Acquisition of Westlite Dormitory (Tebrau) Sdn Bhd (Formerly known as Alpha Sunshine Sdn Bhd) (continued)

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	
Cash and cash equivalents	16
Investment property	6,555
Property, plant and equipment	409
Trade receivables	17
Other current assets	57
Total assets	7,054
Trade and other payables	(204)
Loan from shareholders	(2,898)
Borrowings	(4,126)
Deferred income tax liabilities	(33)
Total liabilities	(7,261)
Identifiable net liabilities	**(207)**
Add: Goodwill (Note 22)	207
Consideration paid for 100% equity interest	-

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(i) Acquisition of Westlite Dormitory (Tebrau) Sdn Bhd (Formerly known as Alpha Sunshine Sdn Bhd) (continued)

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

	Group $'000
Effects on cash flow on the Group	
Cash paid	2,898
Less: Cash and cash equivalents in subsidiary acquired	(16)
Cash outflow on acquisition	**2,882**

Acquisition-related costs

Acquisition-related costs of $6,000 are included in “administrative expenses” in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

Goodwill

The goodwill of $207,000 arising from the acquisition is attributable to the growth potential of the investment.

Revenue and profit contribution

The acquired business contributed revenue of $717,000 and net loss of $188,000 to the Group from the period from 10 February 2012 to 31 December 2012.

Had Westlite Dormitory (Tebrau) Sdn Bhd been consolidated from 1 January 2012, consolidated revenue and consolidated loss for the year ended 31 December 2012 would have been $65,258,000 and $9,487,000 respectively.

(ii) Acquisition of Westlite Dormitory Investments Private Limited (“DIPL”) (formerly known as Dormitory Investments Private Limited)

On 29 February 2012, the Group acquired 90% equity interest in Westlite Dormitory Investments Private Limited, a company which operates a foreign workers dormitory with a capacity of 8,600 beds in Tuas, Singapore.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

(ii) Acquisition of Westlife Dormitory Investments Private Limited ("DIPL") (Formerly known as Dormitory Investments Private Limited) (continued)

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

	Group
	$'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	7,625
Investment property	24,249
Property, plant and equipment	2,148
Trade receivables	2,146
Inventories	34
Other current assets	15
Intangible assets (Note 22(b))	25,521
Total assets	61,738
Trade and other payables	(10,670)
Loans and borrowings	(28)
Current income tax liabilities	(2,699)
Deferred income tax liabilities	(4,371)
Total liabilities	(17,768)
Identifiable net assets	**43,970**
Less: Non-controlling interest at proportionate share of the identifiable net assets	(4,397)
Add: Goodwill	(30)
Consideration paid for 90% equity interest	39,543
Effect on cash flows of the Group	
Cash paid	39,543
Less: Cash and cash equivalents in subsidiary acquired	(7,625)
Cash outflow on acquisition	**31,918**

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(ii) Acquisition of Westlite Dormitory Investments Private Limited ("DIPL")(Formerly known as Dormitory Investments Private Limited) (continued)

Upon the finalisation of the completion accounts of DIPL as at 29 February 2012, it resulted in a downward adjustment to the purchase consideration of $3,207,000. The amount was subsequently received from the vendor.

	Group $'000
Cash paid	42,750
Adjustment to purchase consideration	(3,207)
Adjusted purchase consideration	39,543

Acquisition-related costs

Acquisition-related costs of $276,000 are included in "administrative expenses" in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

Non-controlling interests

The Group has chosen to recognise the 10% non-controlling interest at its proportionate share of its identifiable net assets of $4,397,000.

Revenue and profit contribution

The acquired business contributed revenue of $21,610,000 and net profit of $6,970,000 to the Group from the period from 29 February 2012 to 31 December 2012.

Had DIPL been consolidated from 1 January 2012, consolidated revenue and consolidated profit for the year ended 31 December 2012 would have been $69,079,000 and $5,667,000 respectively.

(iii) Acquisition of Westlite Dormitory (Cemerlang) Sdn Bhd (Formerly known as Gallery Connection Sdn Bhd)

On 12 April 2012, the Group acquired 100% equity interest in Westlite Dormitory (Cemerlang) Sdn Bhd which is the registered proprietor of a piece of land at Ulu Tiram, Johor Bahru, Malaysia and a dormitory under renovation. It has a capacity of 1,600 beds.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(iii) Acquisition of Westlite Dormitory (Cemerlang) Sdn Bhd (Formerly known as Gallery Connection Sdn Bhd) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	-
Investment property	1,013
Property, plant and equipment	6
Total assets	1,019
Trade and other payables	(9)
Loan from shareholders	(949)
Total liabilities	(958)
Identifiable net assets	**61**
Consideration paid for 100% equity interest	61

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	1,010
Less: Cash and cash equivalents in subsidiary acquired	-
Cash outflow on acquisition	**1,010**

(iv) Acquisition of Westlite Dormitory (Tampoi) Sdn Bhd (Formerly known as Approach Impact Sdn Bhd)

On 30 May 2012, the Group acquired 100% equity interest in Westlite Dormitory (Tampoi) Sdn Bhd, which is the owner of a piece of land at Tampoi, Malaysia.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(iv) Acquisition of Westlite Dormitory (Tampoi) Sdn Bhd (Formerly known as Approach Impact Sdn Bhd) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	16
Investment property	4,863
Total assets	4,879
Trade and other payables	(7)
Loans from shareholders	(4,798)
Total liabilities	(4,805)
Identifiable net assets	**74**
Consideration paid for 100% equity interest	74

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	4,872
Less: Cash and cash equivalents in subsidiary acquired	(16)
Cash outflow on acquisition	**4,856**

(v) Acquisition of Westlite Dormitory (Pasir Gudang) Sdn Bhd (Formerly known as Duke Dormitory Management Sdn Bhd)

On 22 October 2012, the Group acquired 100% equity interest in Westlite Dormitory (Pasir Gudang) Sdn Bhd which is the owner of two adjacent plots of land with buildings erected thereon within the residential enclove of Pasir Gudang in Johor Bahru, Malaysia.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(v) Acquisition of Westlite Dormitory (Pasir Gudang) Sdn Bhd (Formerly known as Duke Dormitory Management Sdn Bhd) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	1
Other current assets	7
Property, plant and equipment	348
Investment property	978
Total assets	1,334
Trade and other payables	(230)
Loans from shareholders	(1,064)
Total liabilities	(1,294)
Identifiable net assets	**40**
Consideration paid for 100% equity interest	40

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	1,104
Less: Cash and cash equivalents in subsidiary acquired	(1)
Cash outflow on acquisition	**1,103**

(vi) Acquisition of Westlite Dormitory (Senai) Sdn Bhd (Formerly known as Brave Privilege Sdn Bhd)

On 11 December 2012, the Group acquired 100% equity interest in Westlite Dormitory (Senai) Sdn Bhd, which is the owner of a piece of land at Senai, Malaysia.

19. Investments in subsidiaries (continued)

(b) Acquisition of subsidiaries (continued)

2012 (continued)

(vi) Acquisition of Westlite Dormitory (Senai) Sdn Bhd (Formerly known as Brave Privilege Sdn. Bhd.) (continued)

The acquisition was accounted for as an acquisition of assets. The total consideration was allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as follows:

	Group $'000
Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	-
Investment property	1,641
Total assets	1,641
Trade and other payables	(2)
Loans from shareholders	(1,639)
Total liabilities	(1,641)
Identifiable net assets	**-**
Consideration paid for 100% equity interest	-

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	1,639
Less: Cash and cash equivalents in subsidiary acquired	-
Cash outflow on acquisition	**1,639**

(vii) Acquisition of additional 46% interest in Westlite Dormitory (JB Techpark) Sdn Bhd (Formerly known as Goodwill Origins Sdn Bhd)

During the financial year, the Group acquired the remaining interest in shares of Westlite Dormitory (JB Techpark) Sdn Bhd. Subsequent to the acquisition, Westlite Dormitory (JB Techpark) Sdn Bhd became a wholly-owned subsidiary of the Group. This acquisition is accounted for as a transaction with non-controlling interests and there were no differences between the change in the carrying amount of non-controlling interests and the fair value of consideration paid.

19. Investments in subsidiaries (continued)

(c) The subsidiaries of Centurion Corporation Limited are as follows:

Name of companies	Principal activities	Country of incorporation and business carried on in	Equity holding 2013 %	Equity holding 2012 %
Summit CD Manufacture Pte Ltd#	Manufacture and replication of compact discs, data storage products and related components	Singapore	**100**	100
Summit Hi-Tech Pte Ltd#	Manufacture and replication of digital versatile discs, data storage products and related components	Singapore	**100**	100
SM Summit Holdings Pte Ltd#	Investment holding	Singapore	**100**	100
Purple Vision Pte Ltd#^^	Media advertising	Singapore	**100**	100
Summit CD Manufacture (HK) Limited**	Dormant	Hong Kong	**100**	100
SM Summit Holdings (HK) Limited**	Dormant	Hong Kong	**100**	100
Advance Technology Investment Limited**^^	Investment holding	Hong Kong	**100**	100
Summit Technology Australia Pty Ltd@	Manufacture and replication of compact discs and digital versatile discs	Australia	**100**	100
SM Summit Holdings (Australia) Pty Limited+**	Dormant	Australia	**100**	100
Summit Printing (Australia) Pty Limited+@	Printing	Australia	**100**	100
Centurion Accommodation (Australia) Pty Ltd +@ (formerly known as Wow Vision Australia Pty Ltd)	Property investment	Australia	**100**	100
Gate Cosmos Investments Ltd**	Trading and investment holding	British Virgin Islands	**100**	100
PT Digital Media Technology~^	Manufacture and replication of compact discs, data storage products and related components	Indonesia	**100**	100
Centurion Dormitories Pte Ltd#	Investment holding	Singapore	**100**	100
Westlite Dormitory Management Pte Ltd #^^ (formerly known as FairVision Pte Ltd)	Provision of management services	Singapore	**100**	100
Westlite Dormitory (Toh Guan) Pte Ltd#^^^ (formerly known as Centurion Dormitory (Westlite) Pte Ltd)	Property investments and provision of dormitory accommodation services	Singapore	**100**	100
Dormitory Investments Private Limited#^^^	Investment holding	Singapore	**100**	90
Westlite Dormitory (Tuas) Pte Ltd #^^^ (formerly known as 5 Star Dormitory Management Pte Ltd)	Property investments and provision of dormitory accommodation services	Singapore	**100**	90
Westlite Dormitory (V One) Pte Ltd #^^^^^ (formerly known as 5 Star Supermart Pte Ltd)	Property investment	Singapore	**100**	90

19. Investments in subsidiaries (continued)

(c) The subsidiaries of Centurion Corporation Limited are as follows: (continued)

Name of companies	Principal activities	Country of incorporation and business carried on in	Equity holding 2013 %	Equity holding 2012 %
Westlite Dormitory (V Two) Pte Ltd. #^^^^^ (formerly known as DI Food Services Pte Ltd)	Investment holding	Singapore	**100**	90
Centurion Dormitories Sdn Bhd## ^^^	Investment holding	Malaysia	**100**	100
Westlite Dormitory Management Sdn Bhd ## ^^^^	Provision of management services	Malaysia	**100**	100
Westlite Dormitory (JB Techpark) Sdn Bhd ##^^^^ (formerly known as Goodwill Origins Sdn Bhd)	Property investments and provision of dormitory accommodation services	Malaysia	**100**	100
Westlite Dormitory (Tebrau) Sdn Bhd ##^^^^ (formerly known as Alpha Sunshine Sdn Bhd)	Property investments and provision of dormitory accommodation services	Malaysia	**100**	100
Westlite Dormitory (Cemerlang) Sdn Bhd ##^^^^ (formerly known as Gallery Connection Sdn Bhd)	Property investments and provision of dormitory accommodation services	Malaysia	**100**	100
Westlite Dormitory (Tampoi) Sdn Bhd ##^^^^ (formerly known as Approach Impact Sdn Bhd)	Property investment	Malaysia	**100**	100
Westlite Dormitory (Pasir Gudang) Sdn Bhd ##^^^^ (formerly known as Duke Dormitory Management Sdn Bhd)	Property investment	Malaysia	**100**	100
Westlite Dormitory (Senai) Sdn Bhd ##^^^^ (formerly known as Brave Privilege Sdn Bhd)	Property investments and provision of dormitory accommodation services	Malaysia	**100**	100
Westlite Dormitory (V Three) Pte Ltd*^^^^^	Provision of dormitory services and trading	Singapore	**100**	-
Centurion Dormitories Holdings Pte Ltd#	Investment holding	Singapore	**100**	-
Westlite Dormitory (V Four) Pte Ltd *^^^^^^	Provision of dormitory services and trading	Singapore	**100**	-
Westlite Dormitory (V Five) Pte Ltd *^^^^^^	Provision of dormitory services and trading	Singapore	**100**	-
Centurion Dormitory Venture Pte Ltd*	Investment holding	Singapore	**100**	-
Westlite Dormitory (PG II) Sdn Bhd ##^^^^ (Formerly known as Skyhutch Intelligent Sdn Bhd)	Property investment and provision of dormitory accommodation services	Malaysia	**100**	-
Westlite Dormitory (SN II) Sdn Bhd ##^^^^ (formerly known as Twice Moderate Sdn Bhd)	Property Investment and provision of dormitory accommodation services	Malaysia	**100**	-
Tropianis Development Sdn Bhd ##^^^^	Property developer, investment and trading	Malaysia	**100**	-

19. Investments in subsidiaries (continued)

(c) The subsidiaries of Centurion Corporation Limited are as follows: (continued)

Name of companies	Principal activities	Country of incorporation and business carried on in	Equity holding	
			2013	2012
			%	%
Centurion Overseas Investments Pte Ltd*	Investment holding	Singapore	**100**	-
Centurion Overseas Ventures Ltd *^^^^^^^	Investment holding	Malaysia	**100**	-
Centurion Australia Investments Pty Ltd (Trustee) *^^^^^^^	Trustees for 2 trusts in Australia	Australia	**100**	-
Centurion Student Services Pty Ltd (Operator) *^^^^^^^	Operator of RMIT Village	Australia	**100**	-
PT Westlite Accommodation Cibitung*V	Property investment and provision of dormitory accommodation services	Indonesia	**100**	-

#	Audited by PricewaterhouseCoopers LLP, Singapore
##	Audited by PricewaterhouseCoopers, Malaysia
@	Audited by Crowe Horwath, Australia
~	Audited by Mazars, Indonesia
**	No statutory audit required in the country of incorporation
+	Holdings through Summit Technology Australia Pty Ltd
^	Holdings through Gate Cosmos Investments Ltd and SM Summit Holdings Pte Ltd
^^	Holdings through SM Summit Holdings Pte Ltd
^^^	Holdings through Centurion Dormitories Pte Ltd
^^^^	Holdings through Centurion Dormitories Sdn Bhd
^^^^^	Holdings through Centurion Dormitories Holdings Pte Ltd
*	No statutory audit in financial year 2013
^^^^^^	Holdings through Centurion Dormitory Venture Pte Ltd
^^^^^^^	Holdings through Centurion Overseas Investment Pte Ltd
V	Holdings through Westlite Dormitory (V Two) Pte Ltd

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 or associated companies would not compromise the standard and effectiveness of the audit of the Group.

20. Investment properties

	Group $'000 2013	2012
Beginning of financial year (restated)	**211,523**	151,545
Acquisition of subsidiaries	**3,680**	39,673
Currency translation differences	**(1,866)**	(464)
Additions to investment properties	**112,253**	17,642
Net fair value gain recognised in profit or loss	**43,122**	3,127
End of financial year (restated)	**368,712**	211,523

Investment properties comprise dormitories and commercial properties that are leased to external customers under operating leases.

Certain investment properties are pledged as security for the bank facilities extended to subsidiaries [Note 24(b)]. The carrying values of these investment properties amounted to approximately $334,470,000 (2012: $168,661,000).

The following amounts are recognised in profit or loss:

	Group **2013** **$'000**	2012 $'000
Rental income (Note 4)	**29,845**	25,329
Service charges (Note 4)	**16,167**	10,847
Direct operating expenses arising from:		
- Investment properties that generated rental income and service charges	**(16,918)**	(18,154)
- Investment property that do not generate rental income	**-**	(2)
	29,094	18,020

20. **Investment properties** (continued)

Properties of the Group

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	44 years
Tuas South Ave 9, Singapore	8 blocks of workers dormitory and 1 amenity block	Commercial – Dormitory	Leasehold	3.5 years *
Woodlands Avenue 10, Singapore	Under planning	Commercial - Dormitory	Leasehold	30 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	47 years
Desa Cemerlang, Malaysia	9 blocks of workers dormitory	Commercial – Dormitory	Freehold	-
Pasir Gudang, Malaysia	2 blocks of workers dormitory	Commercial – Dormitory	Leasehold	72 years
Tampoi, Malaysia	Under construction	Commercial – Dormitory	Freehold	-
Senai, Malaysia	2 blocks of workers dormitory	Commercial – Dormitory	Freehold	-
Senai II, Malaysia	Under planning	Commercial – Dormitory	Freehold	-
Pasir Gudang II, Malaysia	2 blocks of workers dormitory (refurbishing in progress)	Commercial – Dormitory	Leasehold	72 years
Port Hedland, Australia	Rezoning in progress	Commercial – Dormitory	Freehold	-
Jl, Wareng Kali Jambe Lambang Sari Village Sub district of Tambun Bekasi, West Java	Under planning	Commerical – Dormitory	Leasehold	30 years

* As at the date of this report, the unexpired term of lease includes an extension for 3 years subject to the agreement of new terms and conditions with the landlord.

20. Investment properties (continued)

Fair value hierarchy

Description	Fair value measurements at 31 December 2013 using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$'000	$'000	$'000
Recurring fair value measurements			
Investment properties:			
- Land	-	85,157	-
- Commercial dormitories	-	-	283,555

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.

Valuation techniques and inputs used to derive Level 3 fair values

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 2013 ($'000)	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Singapore	Commercial Dormitories	244,417	Income approach	Discount rate	8% - 30%	The higher the discount rate, the lower the fair value
				Estimated costs to completion	$8.0 million to $10.0 million	The higher the estimated costs, the lower the fair value
				Rental rate per room per month	$3,200 - $3,300	The higher the rental rate per room, the higher the fair value

20. Investment properties (continued)

Valuation techniques and inputs used to derive Level 3 fair values (continued)

Country	Description	Fair value at 31 December 2013 ($'000)	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Malaysia	Commercial Dormitories	35,873	Cost approach	Market price per square metre	$50 - $180 per square metre	The higher the market price per square metre, the higher the fair value
				Depreciated replacement costs	$899,000 to $8.3 million	The higher the depreciated replacement costs, the higher the fair value
Australia	Commercial Dormitories	3,265	Sales comparison approach	Market price per square metre	$730-$740 per square metre	The higher the market price per square metre, the higher the fair value

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. As at 31 December 2013, 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 and CB Richard Ellis (Johor) Sdn Bhd.

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.

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.

20. Investment properties (continued)

Valuation processes of the Group (continued)

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.

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.

21. Property, plant and equipment

	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							
2013							
Cost							
Beginning of financial year (restated)	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 (restated)	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	121	1,971	691	108	143	-	3,034
Reclassification	-	42	-	-	(42)	-	-
End of financial year	56	132	1,077	265	81	-	1,611
Accumulated impairment							
Beginning of financial year	-	200	-	-	4	-	204
Impairment for the year	-	3,425	298	83	1	-	3,807
Disposal	-	(334)	-	-	(4)	-	(338)
Currency translation differences	-	164	(5)	(2)	-	-	157
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**

21. Property, plant and equipment (continued)

	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 (continued)							
2012							
Cost							
Beginning of financial year (restated)	2,560	7,691	1,027	511	264	254	12,307
Acquisition of subsidiaries	-	1,482	1,169	27	81	-	2,759
Currency translation differences	(204)	(260)	(28)	(37)	(7)	(9)	(545)
Additions	28	332	482	19	137	1,716	2,714
Disposals	-	(115)	(23)	-	(30)	-	(168)
Transfer from capital work-in-progress	-	1,873	-	-	43	(1,916)	-
End of financial year	2,384	11,003	2,627	520	488	45	17,067
Accumulated depreciation							
Beginning of financial year (restated)	46	1,084	132	93	57	-	1,412
Currency translation differences	2	(30)	2	(13)	9	-	(30)
Disposals	-	(53)	(3)	-	-	-	(56)
Depreciation charge	133	2,381	469	156	134	-	3,273
End of financial year	181	3,382	600	236	200	-	4,599
Accumulated impairment							
Beginning of financial year	-	200	-	-	14	-	214
Disposals	-	-	-	-	(10)	-	(10)
End of financial year	-	200	-	-	4	-	204
Net book value							
***End of financial year* (restated)**	**2,203**	**7,421**	**2,027**	**284**	**284**	**45**	**12,264**

	Plant, machinery and equipment $'000	Renovation, furniture and fittings $'000	Motor vehicles $'000	Office equipment and computers $'000	Total $'000
Company					
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**
2012					
Cost					
Beginning of financial year	6	849	822	456	2,133
Additions	-	-	-	37	37
Disposals	-	-	-	(3)	(3)
End of financial year	6	849	822	490	2,167
Accumulated depreciation					
Beginning of financial year	6	839	726	450	2,021
Disposals	-	-	-	(3)	(3)
Depreciation charge	-	3	24	6	33
End of financial year	6	842	750	453	2,051
Net book value					
End of financial year	**-**	**7**	**72**	**37**	**116**

21. Property, plant and equipment (continued)

(a) At the balance sheet date, the net book value of property, plant and equipment of the Group under finance lease agreements amounted to $16,000 (2012: $104,000) [Note 24(d)].

(b) In 2012, certain property, plant and machinery of the Group are mortgaged to banks for term loans and other credit facilities extended to certain subsidiaries. The net book value of these property, plant and machinery amounted to approximately $1,179,000 [Note 24(b)].

(c) The leasehold land and buildings 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

(d) The Group recorded an impairment loss of $3,807,000 on plant, machinery and equipment of the optical business segment during the financial year 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.

22. Intangible assets

	Group 2013 $'000	Group 2012 $'000
Composition:		
Goodwill arising on consolidation [Note 22(a)]	**207**	271
Favourable lease agreement [Note 22(b)]	**16,466**	21,405
	16,673	21,676

(a) Goodwill arising on consolidation

	Group 2013 $'000	Group 2012 $'000
Cost		
Beginning of financial year	**13,238**	13,031
Acquisition of subsidiaries	**-**	207
End of financial year	**13,238**	13,238
Accumulated impairment		
Beginning and end of financial year	**12,967**	12,967
Impairment for the year	**64**	-
End of financial year	**13,031**	12,967
Net book value	**207**	271

Impairment tests for goodwill

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

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 21(d)].

A summary of the goodwill allocation and key assumptions are as follows:

Cash-generating Unit ("CGU")	2013 $'000	2012 $'000	Growth rate 2013	Growth rate 2012	Discount rate 2013	Discount rate 2012
Westlite Dormitory (Tebrau) Sdn Bhd	**207**	207	4%	4%	11.5%	11.5%

22. Intangible assets (continued)

(a) Goodwill arising on consolidation (continued)

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections in the value-in-use calculations were based on financial budgets approved by management covering a 10-year period. Cash flows beyond the 5-year period were extrapolated using the estimated growth rate above which is based on management's expectations of the market development. The discount rates applied to the cash flow projections are pre-tax and reflect a reasonable risk premium at the date of the assessment of the cash-generating units.

(b) Favourable lease agreement

	Group	
	2013	2012
	$'000	$'000
Cost		
Beginning of financial year	**25,521**	-
Acquisition of a subsidiary [Note 19(b)]	**-**	25,521
End of financial year	**25,521**	25,521
Accumulated amortisation		
Beginning of financial year	**4,116**	-
Amortisation charge	**4,939**	4,116
End of financial year	**9,055**	4,116
Net book value	**16,466**	21,405

23. Trade and other payables

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Trade payables to:				
- third parties	**6,480**	4,848	**87**	96
- associated companies	**11**	15	**-**	-
	6,491	4,863	**87**	96
Non-trade payables to:				
- associated companies	**76**	-	**-**	-
- subsidiaries	**-**	-	**10**	-
Advanced rental	**434**	-	**-**	-
Deferred income	**-**	511	**-**	511
Deposits received	**9,357**	7,615	**179**	202
Accrued operating expenses	**9,059**	6,967	**1,662**	1,053
Other payables	**433**	6,230	**1,405**	42
Total trade and other payables	**25,850**	26,186	**3,343**	1,904

24. Borrowings

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Current				
Bank overdrafts [Note 24(a)]	**-**	3	**-**	-
Bank loans [Note 24(b)]	**17,350**	12,676	**-**	-
Finance lease liabilities [Notes 24(d) and 25]	**7**	31	**-**	-
	17,357	12,710	**-**	-
Non-current				
Bank loans [Note 24(b)]	**70,172**	63,283	**-**	-
Finance lease liabilities [Notes 24(d) and 25]	**-**	7	**-**	-
Notes payable	**100,000**	-	**100,000**	-
Less: Transaction costs	**(1,339)**	-	**(1,339)**	-
	98,661	-	**98,661**	-
	168,833	63,290	**98,661**	
Total borrowings	**186,190**	76,000	**98,661**	-

The borrowings are repayable as follows:

	Group	
	2013	2012
	$'000	$'000
- not later than one year	**17,357**	12,710
- between one to five years	**144,417**	42,937
- after five years	**24,416**	20,353
	186,190	76,000

(a) Bank overdrafts

In 2012, the bank overdrafts of the Group are supported by a guarantee given by the Company. The weighted average effective interest rate of the bank overdrafts at the balance sheet date is 5.75% per annum.

24. Borrowings (continued)

(b) Bank loans

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

Total borrowings include secured liabilities of $87,529,000 (2012: $75,997,000) for the Group. These borrowings are secured over shares in a subsidiary, certain investment properties (Note 20), and property, plant and machinery [Note 21(b)].

(c) Notes payables

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 $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.

(d) Finance lease liabilities

The finance lease liabilities are secured on certain property, plant and machinery purchased under finance leases of the Group [Note 21(a)]. The Group's weighted average effective interest rate of finance lease liabilities at the balance sheet date is 4.13% (2012: 3.69%) per annum.

24. Borrowings (continued)

(e) Interest rate risk

The periods in which the borrowings reprice or mature, whichever is earlier, 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							
2013							
Total borrowings	**6,604**	**10,746**	**70,172**	**4**	**3**	**98,661**	**186,190**
2012							
Total borrowings	5,626	7,053	63,283	26	5	7	76,000

(f) Carrying amounts and fair values

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

25. Finance lease liabilities

	Group		Company	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Minimum lease payments due:				
- not later than one year	**8**	34	**-**	-
- between one and five years	**-**	8	**-**	-
	8	42	**-**	-
Less: Future finance charges	**(1)**	(4)	**-**	-
Present value of finance lease liabilities	**7**	38	**-**	-
The present value of finance lease liabilities may be analysed as follows:				
- not later than one year (Note 24)	**7**	31	**-**	-
- between one and five years (Note 24)	**-**	7	**-**	-
Total	**7**	38	**-**	-

26. Other liabilities

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Provision for long service leave [Note 26(a)]	**281**	310	**-**	-
Provision for post-employment benefits [Note 26(b)]	**365**	365	**-**	-
Others	**225**	254	**-**	-
	871	929	**-**	-

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

	Group	
	2013	2012
	$'000	$'000
Beginning of financial year	**310**	315
Currency translation differences	**(39)**	(11)
Charged to the consolidated income statement	**33**	10
Paid during the financial year	**(23)**	(4)
End of financial year	**281**	310

(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	
	2013	2012
	$'000	$'000
Beginning of financial year	**365**	309
Currency translation differences	**(79)**	(39)
Charged to the consolidated income statement	**92**	104
Paid during the financial year	**(13)**	(9)
End of financial year	**365**	365

26. Other liabilities (continued)

(b) The amounts recognised in profit or loss are as follows:

	Group	
	2013	2012
	$'000	$'000
Current service cost	**53**	54
Interest cost	**33**	32
Gain on actuarial recognition	**7**	7
Immediate recognition of Past-Service-Vested benefits	**(1)**	11
	92	104

The principal actuarial assumptions used are as follows:

	Group	
	2013	2012
Retirement age	**55 years**	55 years
Future salary increases per annum	**8%**	8%
Discount rate per annum	**9%**	6.4%

(c) Carrying amounts and fair values

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

27. 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	
	2013	2012	**2013**	2012
	$'000	$'000 (restated)	**$'000**	$'000
Deferred income tax liabilities:				
- to be settled within one year	**222**	260	**13**	16
- to be settled after more than one year	**2,882**	4,111	**12**	13
	3,104	4,371	**25**	29
Deferred income tax asset:				
- to be settled after more than one year	**(91)**	(91)	**-**	-

Movements in the deferred income tax account is as follows:

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000 (restated)	**$'000**	$'000
Beginning of financial year	**4,280**	807	**29**	59
Currency translation	**(173)**	14	**-**	-
Acquisition of subsidiaries	**-**	4,372	**-**	-
Tax credited to:				
- consolidated income statement [Note 10(a)]	**(1,018)**	(913)	**(4)**	(30)
Overprovision in prior financial year [Note 10(a)]	**(76)**	-	**-**	-
End of financial year	**3,013**	4,280	**25**	29

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 $8,807,000 (2012: $6,728,000) and capital allowances of $142,000 (2012: $198,000) 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.

27. 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 $'000	Amortisation of intangible asset $'000	Others $'000	Total $'000
2013				
Beginning of financial year (restated)	926	3,672	(78)	4,520
Currency translation differences	(204)	-	(4)	(208)
Over-provision in prior financial year	(76)	-	-	(76)
Credited to the consolidated income statement	(114)	(840)	(47)	(1,001)
End of financial year	**532**	**2,832**	**(129)**	**3,235**
2012				
Beginning of financial year (restated)	1,010	-	28	1,038
Acquisition of subsidiaries	-	4,372	-	4,372
Currency translation differences	(5)	-	(1)	(6)
Credited to the consolidated income statement	(79)	(700)	(105)	(884)
End of financial year (restated)	926	3,672	(78)	4,520

Deferred income tax assets

	Provisions $'000
2013	
Beginning of financial year	240
Currency translation differences	(35)
Charged to the consolidated income statement	17
End of financial year	**222**
2012	
Beginning of financial year	231
Currency translation differences	(20)
Charged to the consolidated income statement	29
End of financial year	**240**

27. Deferred income taxes (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Others $'000	Total $'000
2013			
Beginning of financial year	7	22	29
Credited/(charged) to the income statement	3	(7)	(4)
End of financial year	**10**	**15**	**25**
2012			
Beginning of financial year	2	57	59
Credited/(charged) to the income statement	5	(35)	(30)
End of financial year	**7**	**22**	**29**

28. Share capital

	Company	
	No. of shares Issued share capital '000	Amount Issued share capital $'000
2013		
Balance as at 1 January 2013 and 31 December 2013	**756,061**	**200,742**
2012		
Balance as at 1 January 2012 and 31 December 2012	756,061	200,742

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

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of 1 warrant for every 10 existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant shall carry the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.50 for each new 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. No warrant has been exercised as at 31 December 2013.

29. Other reserves

		Group		Company	
		2013	2012	**2013**	2012
		$'000	$'000 (restated)	**$'000**	$'000
(a)	Composition				
	Fair value reserve	**206**	(65)	**509**	238
	Currency translation reserve	**(4,967)**	(1,541)	**-**	-
	Capital reserve	**17,095**	17,095	**-**	-
		12,334	15,489	**509**	238
(b)	Movements				
	(i) Fair value reserve				
	Beginning of financial year	**(65)**	(34)	**238**	269
	Fair value gains/(losses) on financial assets, available-for-sale (Note 16)	**271**	(31)	**271**	(31)
	End of financial year	**206**	(65)	**509**	238

	Group	
	2013	2012
	$'000	$'000 (restated)
(ii) Currency translation reserve		
Beginning of financial year	**(1,541)**	110
Net exchange differences on translation of financial statements of foreign subsidiaries and associated companies	**(3,426)**	(1,651)
End of financial year	**(4,967)**	(1,541)
(iii) Capital reserve		
Beginning and end of financial year	**17,095**	17,095

30. Retained profits

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies amounting to $403,000 (2012: $362,000) which are included in the Group's retained profits.

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

	Company	
	2013	2012
	$'000	$'000
Beginning of financial year	**5,100**	(1,554)
Net profit	**7,781**	8,922
Dividends paid (Note 31)	**(3,018)**	(2,268)
End of financial year	**9,863**	5,100

31. Dividends

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Ordinary dividends paid				
Interim exempt dividend paid off 0.3 cent per share	**-**	2,268	**-**	2,268
Final exempt dividend paid in respect of the previous year of 0.4 cent (2012: nil cent per share)	**3,018**	-	**3,018**	-
	3,018	2,268	**3,018**	2,268

At the Annual General Meeting on 23 April 2014, a final dividend of 0.6 cent per share amounting to a total of $4,536,000 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 2014.

32. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investment in a joint venture (Note 18), are as follows:

	Group	
	2013	2012
	$'000	$'000
Investment properties	**17,482**	30,713

32. 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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Not later than one year	**1,661**	3,011	**1,039**	1,466
Between one and five years	**1,946**	447	**1,946**	-
	3,607	3,458	**2,985**	1,466

(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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Not later than one year	**31,740**	26,288	**728**	780
Between one and five years	**4,736**	1,481	**1,354**	-
	36,476	27,769	**2,082**	780

32. Commitments (continued)

(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 $56,529,000 (2012: $58,499,000). At 31 December 2013, the amount of the guaranteed loans drawn down by associated companies and joint venture amounted to $53,065,000 (2012: $42,549,000).

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 $164,194,000 (2012: $123,008,000). At 31 December 2013, the amount of the guaranteed loans drawn down by the subsidiaries, associated companies and joint venture amounted to $140,586,000 (2012: $118,508,000).

(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 2013, the net liabilities of these subsidiaries amounted to $14,249,000 (2012: $31,999,000).

33. 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. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

33. Financial risk management (continued)

(a) *Market risk* (continued)

(i) Currency risk (continued)

Currency risk arises within the entities in the Group when transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR"), Australian Dollar ("AUD") and United States Dollar ("USD"). The Group also has a number of investments in foreign subsidiaries, whose net assets are exposed to currency risk. 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:

2013	SGD $'000	USD $'000	MYR $'000	AUD $'000	Other $'000	Total $'000
Financial assets						
Cash and cash equivalents	33,959	1,809	1,224	7,165	217	44,374
Financial assets, available-for-sale	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 assets/(liabilities)	**(148,115)**	**1,939**	**(10,983)**	**13,672**	**(376)**	
Less: Net financial assets denominated in the respective entities' functional currencies	146,020	-	10,983	(12,486)	404	
Currency risk exposures	**(2,095)**	**1,939**	**-**	**1,186**	**28**	

2012	SGD $'000	USD $'000	MYR $'000	AUD $'000	Other $'000	Total $'000
Financial assets						
Cash and cash equivalents	32,789	350	1,594	6,190	104	41,027
Financial assets, available-for-sale	4,250	-	-	-	-	4,250
Inter-company balances	35,421	440	-	5,663	1	41,525
Trade and other receivables	3,553	2,440	386	6,480	1,206	14,065
Other financial assets	313	440	263	-	317	1,333
	76,326	3,670	2,243	18,333	1,628	102,200
Financial liabilities						
Trade and other payables	14,274	3,782	3,601	4,182	1,276	27,115
Inter-company balances	35,421	440	-	5,663	1	41,525
Borrowings	66,461	-	9,524	-	15	76,000
	116,156	4,222	13,125	9,845	1,292	144,640
Net financial assets/(liabilities)	**(39,830)**	**(552)**	**(10,882)**	**8,488**	**336**	
Less: Net financial assets denominated in the respective entities' functional currencies	38,556	-	10,882	(6,353)	(304)	
Currency risk exposures	**(1,274)**	**(552)**	**-**	**2,135**	**32**	

33. 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:

	2013				2012				
	SGD $'000	USD $'000	AUD $'000	Total $'000	SGD $'000	USD $'000	AUD $'000	Others $'000	Total $'000
Financial assets									
Cash and cash equivalents	**19,149**	**121**	**210**	**19,480**	4,012	13	210	-	4,235
Financial assets available-for-sale	**2,521**	**-**	**-**	**2,521**	4,250	-	-	-	4,250
Trade and other receivables	**270,130**	**506**	**6,687**	**277,323**	180,048	245	8,145	-	188,438
Other financial assets	**2,336**	**-**	**-**	**2,336**	2	-	-	-	2
	294,136	**627**	**6,897**	**301,660**	188,312	258	8,355	-	196,925
Financial liabilities									
Trade and other payables	**(3,343)**	**-**	**-**	**(3,343)**	(1,898)	-	-	(6)	(1,904)
Borrowings	**(98,661)**	**-**	**-**	**(98,661)**	-	-	-	-	-
	(102,004)	**-**	**-**	**(102,004)**	(1,898)	-	-	(6)	(1,904)
Net financial assets/(liabilities)	**192,132**	**627**	**6,897**		186,414	258	8,355	(6)	
Less: Net financial assets denominated in the entity's functional currency	**(192,132)**	**-**	**-**		(186,414)	-	-	-	
Currency risk exposures	**-**	**627**	**6,897**		-	258	8,355	(6)	

If the USD, AUD change against SGD by 3% (2012: 4%) with all other variables including tax rate being held constant, the effects arising from the net financial asset position would be as follows:

	2013	2012
	Increase/(Decrease)	
	Profit after tax $'000	Profit after tax $'000
Group		
USD against SGD		
- strengthened	**48**	18
- weakened	**(48)**	(18)
AUD against SGD		
- strengthened	**30**	71
- weakened	**(30)**	(71)

33. **Financial risk management** (continued)

(a) *Market risk* (continued)

(i) Currency risk (continued)

	2013	2012
	Increase/(Decrease)	
	Profit after tax	Profit after tax
	$'000	$'000
Company		
USD against SGD		
- strengthened	**16**	9
- weakened	**(16)**	(9)
AUD against SGD		
- strengthened	**172**	277
- weakened	**(172)**	(277)

(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 2% (2012: 1%) with all other variables including tax rate being held constant, the effects on other comprehensive income will be:

	2013	2012
	Increase/(Decrease)	
	Other comprehensive income	Other comprehensive income
	$'000	$'000
Group		
Listed in Singapore		
- increased by	**40**	40
- decreased by	**(40)**	(40)

33. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks

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

The 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 borrowings.

If the interest rates have increased/decreased by 0.65% (2012: 0.13%) with all other variables including tax rate being held constant, the loss after tax would have been lower/higher by $472,000 (2012: $72,000).

(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 21% (2012: 40%) of trade receivables in 2013.

As the Group and Company does 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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Corporate guarantees provided to banks on subsidiaries', associated companies' and joint venture's loans	**53,065**	42,549	**140,586**	118,508

33. Financial risk management (continued)

(b) Credit risk (continued)

The Group's major classes of financial assets are bank deposits and trade receivables. The Company's major classes of financial assets are bank deposits 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	
	2013	2012
	$'000	$'000
By geographical areas		
Asia	**5,612**	4,755
Australia	**1,590**	5,490
	7,202	10,245

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 receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

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	
	2013	2012
	$'000	$'000
Past due < 3 months	**1,756**	2,543
Past due 3 to 6 months	**720**	801
	2,476	3,344

33. Financial risk management (continued)

(b) Credit risk (continued)

Financial assets that are past due and/or impaired (continued)

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

	Group	
	2013	2012
	$'000	$'000
Gross amount	**999**	1,040
Less: Allowance for impairment	**(999)**	(1,040)
	-	-
Beginning of financial year	**1,040**	844
Currency translation difference	**(96)**	(31)
Allowance made	**195**	147
Allowance utilised	**(140)**	(62)
Acquisition of subsidiaries	**-**	142
End of financial year	**999**	1,040

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 12.

Management monitors rolling forecasts of the liquidity reserve [comprise cash and cash equivalents (Note 12)] of the Group and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

33. 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				
2013				
Trade and other payables	**25,850**	**-**	**-**	**871**
Borrowings	**21,362**	**25,994**	**129,222**	**30,899**
Financial guarantee contracts [Note 32(d)]	**53,065**	**-**	**-**	**-**
	100,277	**25,994**	**129,222**	**31,770**
2012				
Trade and other payables	26,186	-	-	929
Borrowings	14,100	14,956	29,193	22,621
Financial guarantee contracts [Note 32(d)]	42,549	-	-	-
	82,835	14,956	29,193	23,550

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Company			
2013			
Trade and other payables	**3,344**	**-**	**-**
Borrowings	**3,938**	**5,250**	**105,250**
Financial guarantee contracts [Note 32(d)]	**140,586**	**-**	**-**
	147,868	**5,250**	**105,250**
2012			
Trade and other payables	1,904	-	-
Financial guarantee contracts [Note 32(d)]	118,508	-	-
	120,412	-	-

(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.

Consistent with others in the industry, 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.

33. Financial risk management (continued)

(d) Capital risk (continued)

The gearing ratios are computed as follows:

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000 (restated)	**$'000**	$'000
Borrowings (Note 24)	**186,190**	76,000	**98,661**	-
Total net assets	**292,921**	211,404	**211,114**	206,080
Total capital	**479,111**	287,404	**309,775**	206,080
Gearing ratio	**39%**	26%	**32%**	-

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2012 and 2013.

(e) Fair value measurements

	Level 1 $'000
As at 31 December 2013	
Financial assets, available-for-sale	**2,521**
As at 31 December 2012	
Financial assets, available-for-sale	4,250

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.

34. 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	
	2013	2012
	$'000	$'000
Sales to associated companies	**2**	5
Purchases from associated companies	**109**	3
Purchases from a company which a director has an interest	**55**	-

Outstanding balances at 31 December 2013 arising from sales and purchases of goods are set out in Notes 13 and 23, respectively.

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2013	2012
	$'000	$'000
Wages and salaries	**2,319**	1,720
Employer's contribution to defined contribution plans, including Central Provident Fund	**81**	72
	2,400	1,792

Included in above, total compensation to directors of the Company amounted to $1,299,000 (2012: $1,092,000).

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

	Group	
	2013	2012
Number of directors of the Company in remuneration bands:		
Above $499,999	**-**	-
$250,000 to $499,999	**3**	2
Below $250,000	**3**	4
	6	6

35. 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.

The Senior Management manages and monitors the business in two business segments which is the manufacture and sale of optical discs and related data storage products ("Optical") and provision of dormitory accommodation and services ("Accommodation").

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

	Optical		Accommodation	Total
	$'000	$'000	$'000	$'000
	Asia	Australia		
Sales:				
Total segment sales	10,913	9,378	47,275	67,566
Inter-segment sales	(1,134)	-	-	(1,134)
Sales to external parties	9,779	9,378	47,275	66,432
Segment results	(1,005)	(866)	23,167	21,296
Finance expense	(1)	-	(2,526)	(2,527)
Interest income				372
Dividend income				188
Fair value gain on investment properties				43,122
Impairment of property, plant and equipment				(3,865)
Goodwill written off				(64)
Share of loss of associated companies/joint venture				37,173
Profit before income tax				95,695
Income tax expense				(3,537)
Net profit				92,158
Segment assets	14,924	11,161	404,555	430,640
Short-term bank deposits				28,675
Financial assets, available-for-sale				2,521
Deferred income tax assets				91
Investments in associated companies				1,348
Investment in a joint venture				52,569
Consolidated total assets				515,844
Segment liabilities	5,643	3,082	17,996	26,721
Borrowings			186,190	186,190
Current income tax liabilities				6,908
Deferred income tax liabilities				3,104
Consolidated total liabilities				222,923
Other segment items:				
- Capital expenditure	24	6	113,987	114,017
- Depreciation	1,356	632	1,046	3,034
- Amortisation	-	-	4,939	4,939

35. Segment information (continued)

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2012 is as follows:

(Restated)	Optical $'000 Asia	Optical $'000 Australia	Accommodation $'000	Total $'000
Sales:				
Total segment sales	14,074	15,167	37,383	66,624
Inter-segment sales	(1,391)	-	(2)	(1,393)
Sales to external parties	12,683	15,167	37,381	65,231
Segment results	(224)	1,051	19,325	20,152
Finance expense	(17)	(5)	(1,958)	(1,980)
Interest income				353
Dividend income				206
Fair value gain on investment properties				3,127
Goodwill written off				30
Share of loss of associated companies/joint venture				(2,753)
Profit before income tax				19,135
Income tax expense				(3,138)
Net profit				15,997
Segment assets	19,041	11,935	246,722	277,698
Short-term bank deposits				26,303
Financial assets, available-for-sale				4,250
Deferred income tax assets				91
Investments in associated companies				1,363
Investment in a joint venture				15,438
Consolidated total assets				**325,143**
Segment liabilities	5,908	3,957	17,250	27,115
Borrowings	22	-	75,978	76,000
Current income tax liabilities				6,253
Deferred income tax liabilities				4,371
Consolidated total liabilities				**113,739**
Other segment items:				
- Capital expenditure	1,521	371	18,701	20,593
- Depreciation	1,667	950	656	3,273
- Amortisation	-	-	4,116	4,116

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 venture, financial assets, available-for-sale 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.

35. **Segment information** (continued)

Geographical information

The Group's two business segments operate in three 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 manufacture and sale of optical disc and property investments;
- Malaysia – the operations in this area are principally the provision of dormitory accommodation;
- Other countries – the operations include manufacture and sale of optical disc and property investments.

	Sales	
	2013	2012
	$'000	$'000
Singapore	**50,172**	43,503
Australia	**9,378**	15,167
Malaysia	**3,125**	1,501
Other countries	**3,757**	5,060
	66,432	65,231

	Non-current assets	
	2013	2012
	$'000	$'000
		(restated)
Singapore	**404,866**	226,182
Australia	**3,365**	7,966
Malaysia	**37,559**	27,534
Other countries	**2,408**	4,923
	448,198	266,605

36. 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.

37. Events occurring after balance sheet date

On 27 January 2014, Advance Technology Investment Limited ("ATI"), 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") from Chinatex (Beijing), an existing shareholder of SHD, for a total consideration of RMB10,000 (equivalent to S$2,090).

SHD is now an indirect 85% owned subsidiary of the Company. The acquisition was satisfied by cash and funded through internal resources of the Company and is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2014.

On 10 February 2014, Centurion Overseas Venture Ltd, a new indirect wholly-owned subsidiary of the Company, completed the acquisition of RMIT Village Student Accomodation & Adjoining Carpark Building in Melbourne, Australia at a total purchase price of A$60 million (equivalent to S$69 million). The acquisition was funded through proceeds from the issue of the notes on 10 October 2013 under the Multicurrency Medium Term Note Programme established by the Company and bank borrowings.

In connection to this acquisition, Centurion Australia Investments Pty Ltd, an indirect wholly-owned subsidiary of the Company has been nominated as the trustee and has executed two trust deeds, respectively, to establish Centurion Melbourne Student Village Trust and Centurion Melbourne Apartment Trust, as the vehicles for the purchase of the Property and the Car Park Building. Centurion Overseas Ventures is the sole holder of units for these two Trusts.

On 6 March 2014, Lian Beng Group Ltd ("Lian Beng") had acquired 38 million shares of Centurion Corporation Limited at S$0.57 each in an off-market married deal, together with other private investors who took up 42 million shares. With this acquisition, Lian Beng now holds 5.026% stake in Centurion.

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 2014 or later periods and which the Group has not early adopted:

- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 110 replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess. The Group has yet to assess the full impact of FRS 110 and intends to apply the standard from 1 January 2014.

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

  The Group has yet to assess the full impact of FRS 111 and intends to adopt the standard from 1 January 2014.

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities. The Group has yet to assess the full impact of FRS 112 and intends to adopt the standard from 1 January 2014.

39. Comparatives

With effect from 30 June 2013, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost to fair value model, with the changes in fair values recognized in the statement of comprehensive income. This change aligns the Group's accounting policy with industry practice and provides more relevant financial information to the users of the financial statement.

The change in accounting policy was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change on the Group's financial statements are as follows:

	Consolidated Balance sheet		
	At 31 December 2013	At 31 December 2012	At 1 January 2012
	Increase/(Decrease)		
	$'000	$'000	$'000
Property, plant and equipment	(719)	(719)	-
Investment properties	140,778	90,989	81,355
Investments in joint venture	45,801	11,183	13,618
Deferred income tax liabilities	(28)	(28)	-
Retained profits	185,457	101,050	94,973
Other reserves	7	7	-
Non-controlling interests	424	424	-

	Consolidated income statement for year ended 31 December	
	2013	2012
	Increase/(Decrease)	
	$'000	$'000
Cost of sales (Depreciation)	**(6,667)**	(5,781)
Fair value gain on group's investment properties	**43,122**	3,127
Fair value gain/(loss) on group's joint venture's investment properties	**34,618**	(2,435)
Income tax expense	**-**	(28)
Other comprehensive income:		
- Currency translation differences arising from consolidation	**-**	7
Profit attributable to:		
Equity holders of the Company	**84,407**	6,084
Non-controlling interests	**-**	424

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 27 March 2014.

UNAUDITED FINANCIAL INFORMATION OF CENTURION CORPORATION LIMITED AND ITS SUBSIDIARIES FOR THE PERIOD ENDED 30 JUNE 2014

The information in this Appendix IV has been reproduced from the announcement on 14 August 2014 of the unaudited financial information of Centurion Corporation Limited and its subsidiaries for the half-year ended 30 June 2014 and has not been specifically prepared for inclusion in this Information Memorandum.

Centurion Corporation Limited
(Company Registration No. 198401088W)

Unaudited Second Quarter Financial Statement and Dividend Announcement for the period ended 30 June 2014

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

1(a)(i) Consolidated Income Statement

	Group Second Quarter ended 30 June			Group Half Year ended 30 June		
	2014 $ '000	2013 $ '000 (Represented)	Change %	2014 $ '000	2013 $ '000 (Represented)	Change %
Revenue	19,880	14,115	41	37,439	27,743	35
Cost of sales	(6,868)	(6,277)	9	(13,368)	(12,515)	7
Gross profit	13,012	7,838	66	24,071	15,228	58
Other gains (net) - miscellaneous	249	325	(23)	490	836	(41)
Expenses						
- Distribution	(330)	(311)	6	(628)	(634)	(1)
- Administrative	(3,220)	(2,291)	41	(7,050)	(4,359)	62
- Finance	(1,823)	(360)	406	(3,226)	(783)	312
Share of gain of associated companies and joint venture (net) (Note 1)	1,098	20,000	(95)	19,871	19,940	(0)
	8,986	25,201	(64)	33,528	30,228	11
Other losses	-	(3,420)	N/M	-	(3,420)	N/M
Fair value gain on Group's investment properties	-	36,427	N/M	-	36,427	N/M
Profit before income tax	8,986	58,208	(85)	33,528	63,235	(47)
Income tax expense	(1,446)	(1,102)	31	(3,153)	(2,149)	47
Profit from continuing operations	7,540	57,106	(87)	30,375	61,086	(50)
Discontinued operations						
Profit/(loss) from discontinued operations (Note 2)	148	(1,107)	N/M	(62)	(1,262)	(95)
Total profit	7,688	55,999	(86)	30,313	59,824	(49)
Attributable to:						
Equity holders of the Company	7,688	55,999	(86)	30,313	59,824	(49)
Non-Controlling Interest	-	-	N/M	-	-	N/M
Equity holders of the Company	7,688	55,999	(86)	30,313	59,824	(49)

Note

1) Share of gain/(loss) of associated companies and joint venture for 1H 2014 includes our share of the profits realised in 1H 2014 on sales of the factory units that were developed and sold by the 45% joint venture with Lian Beng Group.

2) Profit/(loss) from discontinued operations arise from the discontinuing of Australian optical business which was sold during 2Q 2014.

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

	Second Quarter ended 30 June 2014 $ '000	2013 $ '000	Change %	Half Year ended 30 June 2014 $ '000	2013 $ '000	Change %
Net profit	7,688	55,999	(86)	30,313	59,824	(49)
Currency translation differences	606	(1,582)	N/M	2,461	(1,230)	N/M
Financial assets, available-for-sale						
Fair value loss	(29)	(61)	(52)	(48)	(99)	(52)
Reclassification from fair value reserve to profit for the period	-	-	N/M	153	-	N/M
	577	(1,643)	N/M	2,566	(1,329)	N/M
Total comprehensive income	8,265	54,356	(85)	32,879	58,495	(44)
Attributable to:						
Equity holders of the Company	8,265	54,356	(85)	32,879	58,495	(44)
Non-Controlling Interest	-	-	N/M	-	-	N/M
Equity holders of the Company	8,265	54,356	(85)	32,879	58,495	(44)

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

	Second Quarter ended 30 June 2014 $ '000	2013 $ '000	Change %	Half Year ended 30 June 2014 $ '000	2013 $ '000	Change %
After (charging) / crediting:						
Interest expense	(1,823)	(360)	406	(3,226)	(783)	312
Depreciation and amortisation	(1,742)	(1,872)	(7)	(3,461)	(3,786)	(9)
Allowance for doubtful debts (net)	(31)	(54)	(43)	(54)	(71)	(24)
Currency exchange gain/(loss) (net)	18	(144)	N/M	44	(96)	N/M
Adjustments for underprovision of prior year tax	-	-	N/M	(154)	-	N/M
Net (loss)/gain on sale of property, plant & equipment	(88)	1	N/M	(88)	7	N/M
Goodwill written off	-	(64)	N/M	-	(64)	N/M
Impairment of property, plant and equipment	-	(3,356)	N/M	-	(3,356)	N/M

The miscellaneous gains (net) comprise the following:

	Second Quarter ended 30 June 2014 $ '000	2013 $ '000	Change %	Half Year ended 30 June 2014 $ '000	2013 $ '000	Change %
Other rental income	83	335	(75)	197	667	(70)
Interest income	112	40	180	188	84	124
Dividend income	28	53	(47)	55	111	(50)
Currency exchange gain/(loss) (net)	18	(144)	N/M	44	(96)	N/M
Others	8	41	(80)	6	70	(91)
Other miscellaneous gains - net	249	325	(23)	490	836	(41)

N/M : Not meaningful

ACQUISITION OF ADDITIONAL 36% IN SHANGHAI HUADE PHOTOELECTRON SCIENCE & TECHNOLOGY CO. LTD. ("SHD") IN QUARTER 1

On 27 January 2014, Advance Technology Investment Limited ("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 (Beijing), an existing shareholder of SHD, for a total consideration of RMB10,000 (equivalent to S$2,084).

SHD is now an indirect 85% owned subsidiary of the Company. The acquisition was satisfied by cash and funded through internal resources of the Company.

Based on the unaudited management accounts that are subject to finalisation, the details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest and fair value of previously held equity interest recognised and the effects on the cash flows of the Group, at the acquisition date are as follows:

	$ '000
Identifiable assets acquired and liabilities assumed	
Cash & cash equivalents	372
Other current assets	64
Plant and equipment	3,991
Total assets	4,427
Trade and other payables	(989) #
Borrowings	(3,436)
Total liabilities	(4,425)
Identifiable net assets	2
Add: Non-controlling interest at proportionate share of the identifiable net assets	- *
Consideration paid for additional 36% equity interest	2

Effect on cash flows of the Group

	$ '000
Cash paid	(2)
Less: cash and cash equivalents in subsidiary acquired	372
Cash inflow on acquisition	370

* Amounts are less than $1,000
# Adjusted for amounts due to acquirer

1(b)(i) **Balance Sheets**

	Group		Company	
	30 Jun 14	**31 Dec 13**	**30 Jun 14**	**31 Dec 13**
	$ '000	**$ '000**	**$ '000**	**$ '000**
Current assets				
Cash and cash equivalents	68,073	44,374	26,523	19,480
Trade and other receivables	9,317	11,195	14,844	12,391
Inventories	661	994	-	-
Other current assets	1,813	11,083	361	2,224
	79,864	67,646	41,728	34,095
Non-current assets				
Trade and other receivables	-	-	239,377	264,932
Other non-current assets	265	265	265	265
Financial assets, available-for-sale	2,473	2,521	2,473	2,521
Investments in associated companies	1,383	1,348	1,298	1,298
Investments in joint venture	63,421	52,569	-	-
Investments in subsidiaries	-	-	21,045	10,046
Investment properties	458,603	368,712	-	-
Property, plant & equipment	9,439	6,019	123	119
Deferred income tax assets	92	91	-	-
Intangible assets	14,203	16,673	-	-
	549,879	448,198	264,581	279,181
Total assets	**629,743**	**515,844**	**306,309**	**313,276**
Current liabilities				
Trade and other payables	(29,028)	(25,850)	(3,731)	(3,343)
Current income tax liabilities	(6,330)	(6,908)	(133)	(133)
Borrowings	(16,963)	(17,357)	-	-
	(52,321)	(50,115)	(3,864)	(3,476)
Non-current liabilities				
Borrowings	(256,426)	(168,833)	(98,890)	(98,661)
Other payables	(306)	(871)	-	-
Deferred income tax liabilities	(2,810)	(3,104)	(3)	(25)
	(259,542)	(172,808)	(98,893)	(98,686)
Total liabilities	**(311,863)**	**(222,923)**	**(102,757)**	**(102,162)**
Net assets	**317,880**	**292,921**	**203,552**	**211,114**
Equity				
Share capital	89,836	89,431	201,147	200,742
Other reserves	14,900	12,334	461	509
Retained profits	213,144	191,156	1,944	9,863
	317,880	292,921	203,552	211,114
Non-controlling Interest	-	-	-	-
Total equity	**317,880**	**292,921**	**203,552**	**211,114**
Total borrowings	273,389	186,190		
Gearing ratio*	46%	39%		

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

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

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

	As at 30 Jun 14	As at 31 Dec 13
	$'000	$'000
Secured	16,963	17,357
Unsecured	-	-
Sub Total	**16,963**	**17,357**

(b) Amount repayable after one year

	As at 30 Jun 14	As at 31 Dec 13
	$'000	$'000
Secured	157,536	70,172
Unsecured	98,890	98,661
Sub Total	**256,426**	**168,833**
Total Debt	**273,389**	**186,190**

(c) Details of any collateral

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

1 (c) Consolidated Cash Flow Statement

The below consolidated cash flow statement includes the impact on the cash flows of the Group attributed to the discontinued operations.

	Second Quarter ended 30		Half Year ended 30 June	
	2014	2013	2014	2013
	$ '000	$ '000	$ '000	$ '000
Cash flows from operating activities				
Net profit	7,688	55,999	30,313	59,824
Adjustment for:				
Tax expense	1,446	1,093	3,153	2,131
Depreciation and amortisation	1,756	2,060	3,487	4,169
Allowance for impairment of trade and other receivables	52	111	142	132
Net gain on sale of property, plant and equipment	(581)	(1)	(587)	(7)
Impairment of property, plant and equipment	-	3,865	-	3,865
Interest income	(139)	(102)	(246)	(204)
Dividend income	(28)	(53)	(55)	(111)
Interest expense	1,800	430	3,226	888
Share of profits of associated companies and joint venture (net)	(1,098)	(543)	(19,871)	(483)
Goodwill written off	-	64	-	64
Fair value gain on investment properties	-	(36,427)	-	(36,427)
Fair value gain on joint venture's investment properties	-	(19,457)	-	(19,457)
Currency translation differences	484	762	(578)	569
Reclassification from fair value reserve to profit for the period	-	-	153	-
Operating cash flow before working capital changes	11,380	7,801	19,137	14,953
Changes in operating assets and liabilities				
Inventories	503	150	333	187
Trade and other receivables	(305)	(1,010)	4,316	640
Other current assets	221	(28)	131	(351)
Trade and other payables	(600)	(226)	(971)	(2,905)
Cash generated from operations	11,199	6,687	22,946	12,524
Income tax paid - net	(2,288)	(1,883)	(3,963)	(1,840)
Net cash provided by operating activities	8,911	4,804	18,983	10,684
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	814	52	820	58
Additions of investment property	(5,750)	(4,388)	(89,347)	(7,596)
Purchase of property, plant and equipment	(473)	(347)	(685)	(484)
Acquisition of interest in subsidiaries, net of cash acquired	-	-	370	(3,677)
Interest received	139	102	246	204
Dividend received	28	53	55	111
Dividend received from joint venture	4,500	-	9,000	-
Deposits refunded for acquisition of investment property	-	-	9,137	-
Capital contribution from warrants exercised	405	-	405	-
Net cash used in investing activities	(337)	(4,528)	(69,999)	(11,384)
Cash flows from financing activities				
Proceeds from borrowings	2,159	1,870	92,845	8,989
Repayment of borrowings	(3,655)	(3,523)	(6,845)	(6,083)
Interest paid	(1,800)	(430)	(3,226)	(888)
Acquisition of additional interest in a subsidiary	-	-	-	(2,375)
Dividends paid to shareholders	(8,325)	(3,024)	(8,325)	(3,024)
Net cash (used in)/provided by financing activities	(11,621)	(5,107)	74,449	(3,381)
Net increase in cash and cash equivalents held	(3,047)	(4,831)	23,433	(4,081)
Cash and cash equivalents at beginning of the period	70,220	37,329	43,558	36,468
Effects of exchange rate changes on cash and cash equivalents	80	(775)	262	(664)
Cash and cash equivalents at end of the year	67,253	31,723	67,253	31,723

* The consolidated cash and cash equivalents comprise the following:

Cash and bank balances	68,073	36,285	68,073	36,285
Bank overdraft	-	(6)	-	(6)
Short-term bank deposits charged as security to bank	(820)	(812)	(820)	(812)
Restricted short-term bank deposits	-	(3,744)	-	(3,744)
	67,253	31,723	67,253	31,723

1(d)(i) <u>Statement of Changes in Equity</u>

As at 30 Jun 2014 vs 30 Jun 2013

← Attributable to equity holders of the Company →

GROUP 2014	Share Capital $'000	Other Reserves $'000	Retained Profits $'000	Total Equity $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 1 Jan 2014	89,431	12,334	191,156	292,921	-	292,921
Dividends relating to FY2013 paid	-	-	(4,541)	(4,541)	-	(4,541)
Dividends relating to FY2014 paid	-	-	(3,784)	(3,784)	-	(3,784)
Issuance of shares pursuant to warrants exercised	405	-	-	405	-	405
Total comprehensive income for the period	-	2,566	30,313	32,879	-	32,879
Balance as at 30 Jun 2014	**89,836**	**14,900**	**213,144**	**317,880**	**-**	**317,880**

GROUP 2013	Share Capital $'000	Other Reserves $'000	Retained Profits $'000	Total Equity $'000	Non-Controlling Interest $'000	Total Equity $'000
Balance as at 1 Jan 2013 as previously reported	89,431	15,482	1,308	106,221	3,702	109,923
Effects of the change in accounting policy	-	7	101,050	101,057	424	101,481
As restated 1 Jan 2013	89,431	15,489	102,358	207,278	4,126	211,404
Dividends relating to FY2012 paid	-	-	(3,024)	(3,024)	-	(3,024)
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest	-	-	(343)	(343)	(4,126)	(4,469)
Total comprehensive (expense)/ income for the period	-	(1,329)	59,824	58,495	-	58,495
Balance as at 30 Jun 2013 (restated)	**89,431**	**14,160**	**158,815**	**262,406**	**-**	**262,406**

COMPANY 2014	Share Capital $'000	Other Reserves $'000	Retained Profits $'000	Total $'000
Balance as at 1 Jan 2014	200,742	509	9,863	211,114
Dividends relating to FY2013 paid	-	-	(4,541)	(4,541)
Dividends relating to FY2014 paid	-	-	(3,784)	(3,784)
Issuance of shares pursuant to warrants exercised	405	-	-	405
Total comprehensive expense for the period	-	(48)	406	358
Balance as at 30 Jun 2014	**201,147**	**461**	**1,944**	**203,552**

COMPANY **2013**	**Share Capital** **$'000**	**Other Reserves** **$'000**	**Retained Profits** **$'000**	**Total** **$'000**
Balance as at 1 Jan 2013	200,742	238	5,100	206,080
Dividends relating to FY2012 paid	-	-	(3,024)	(3,024)
Total comprehensive expense for the period	-	(99)	(1,281)	(1,380)
Balance as at 30 Jun 2013	**200,742**	**139**	**795**	**201,676**

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

	Company	
	No. of shares issued	**Share capital $ '000**
Issued and fully paid:		
As at 1 Jan 2014	756,060,841	200,742
Issue of new shares pursuant to the warrants exercised	810,772	405
As at 30 Jun 2014	756,871,613	201,147

The Company does not have any outstanding convertibles and treasury shares as at 30 June 2014 and 30 June 2013.

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

	Company	
	30 Jun 14	**31 Dec 13**
Total number of issued shares excluding treasury shares	756,871,613	756,060,841

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

Not applicable. There were no treasury shares during the current financial period reported on.

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

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

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

Not applicable.

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

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

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

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

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

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

		Group			
		Second Quarter ended 30 June		Half Year ended 30 June	
		2014	**2013**	**2014**	**2013**
(a)	Based on weighted average number of ordinary shares on issue	1.02 cent	7.41 cent	4.01 cents	7.91 cent
(b)	On a fully diluted basis	0.99 cent	7.41 cent	3.91 cents	7.91 cent

Note:
The earnings per share is calculated based on weighted average number of ordinary shares in issue of 756,304,182 for Q2 2014 and 756,304,601 for FY2014 (Q2 2013 & FY2013 : 756,060,841) ordinary shares.

The weighted average number of shares used for the calculation of EPS based on fully diluted basis is 775,426,849 for Q2 2014 and 775,427,311 for FY2014 (Q2 2013 & FY2013 : 756,060,841).

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

	Group		Company	
	30 Jun 14	**31 Dec 13**	**30 Jun 14**	**31 Dec 13**
Net asset value per ordinary share	42.00 cents	38.74 cents	26.89 cents	27.92 cents

Note
The Group and Company net asset per ordinary share is calculated based on existing issued share capital of 756,871,613 (2013: 756,060,841) ordinary shares.

8 Group Performance Review

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

Second quarter review – Q2 FY2014 vs Q2 FY2013

The Group recorded a total revenue of S$20 million in 2Q 2014, an increase of 41% or S$6 million from the previous corresponding period in 2Q 2013. Its accommodation business registered a healthy quarter-on-quarter revenue growth of 56% or S$6.4 million from S$11.4 million in 2Q 2013 to S$17.8 million in 2Q 2014.

This positive growth in revenue from the accommodation business stemmed largely from the increase in bed capacity at Westlite Toh Guan dormitory since January 2014, as well as maiden revenue from the Group's student accommodation RMIT Village ("RMITV") located in Melbourne, Australia, acquired since February 2014. Other factors such as an increase in rental rates and continued improvements in the occupancy rates of the Group's dormitories located in Malaysia further contributed to the segment's revenue growth.

In 2Q 2014, the revenue gain from the accommodation business was offset by the drop in revenue of approximately S$0.6 million from the optical disc business due to continued reduced market demand for physical optical disc storage media.

The Group's gross profit in 2Q 2014 increased by 66%, from S$8 million to S$13 million, while gross profit margin increased from 56% to 65% due to the higher revenue contribution from the accommodation business since gross profit margin for the accommodation business is higher compared to the optical disc business.

Administrative expenses increased by S$0.9 million as a result of higher salary costs and professional fees associated with the expansion of the accommodation business.

Finance cost, which increased by S$1.5 million, mainly arose from the interest expense incurred for the medium term notes issued in October 2013.

The share of operational gains from associated companies and joint ventures came to S$1.1 million in 2Q 2014 compared to S$0.5 million in the previous corresponding period in 2013. The Group's joint venture, Westlite Mandai dormitory now operates a total capacity of 6,290 beds, compared to only 4,750 beds when it first commenced its operations in April 2013.

An independent valuation exercise was conducted for the Group's investment properties as the Group changed its accounting policy for its investment properties from a cost to a fair value model with effect from 2Q 2013. As a result, a fair value gain on the Group's and joint venture's investment properties of S$36.4 million and S$19.5 million respectively were recognised in 2Q 2013. No valuation was conducted in 2Q 2014 as the Group intends to conduct a valuation exercise for its investment properties annually at the year end.

Along with the valuation of its investment properties, the Group had also made an assessment on its optical disc assets in view of the unfavorable business conditions. A one-off impairment charge of S$3.4 million on plant and machinery was recorded as other losses in 2Q 2013.

The resulting net profit from the Group's continuing operations in 2Q 2014 was S$7.5 million, S$2.9 million higher compared to the S$4.6 million recorded in 2Q 2013, excluding fair value gains and one-off impairment charge. This represents a considerable 62% increase year-on-year. The Group's accommodation business contributed $7.6 million profit, while the optical disc business experienced a marginal loss of S$0.1 million.

The Group's Australian optical business assets was sold in 2Q 2014 and the profit from the discontinued operation during the period was S$0.1 million, largely due to a net gain on sale of the assets over cost in closing the operations. The loss of S$1.1 million in 2Q 2013 included the one-off impairment charge of S$0.5 million on Australian plant and equipment.

Half year 2014 review – 1H FY2014 vs 1H FY2013

The Group registered an increase of 35% in revenue from S$27.7 million in 1H 2013 to S$37.4 million in 1H 2014. The Group's accommodation business achieved a 46% growth or S$10.5 million increase in revenue compared to the corresponding period last year due to the continued expansion of the Group's accommodation assets. The Group's optical disc business however, experienced a decrease of 15% or S$0.8 million, due to continuing weak demand from its customers for physical optical disc media.

Gross profit for the Group in 1H 2014 improved by S$8.8 million which is an increase of 58% compared to 1H 2013 on the back of higher revenue contribution from the accommodation business.

Administrative expenses rose by S$2.7 million as a result of higher salary costs and professional fees associated with the expansion of the accommodation business.

Finance costs, which increased by S$2.4 million, mainly as a result of the interest expense incurred for the medium term notes issued in October 2013.

Share of the results of associates and jointly controlled entities included the recognition of profits from the sales of industrial property development, M Space, which amounted to S$17.3 million in 1H 2014. The results of 1H 2013 included the Group's share of the fair value gain on its joint venture's investment properties of S$19.5 million.

Other losses of S$3.4 million in 1H 2013 were related to the one-off impairment charge on the Group's optical disc plant and equipment.

The fair value gain on investment properties of S$36.4 million in 1H 2013 comprises the change in fair value since the end of FY2012. Moving forward, the Group shall engage independent valuers to re-assess the fair value of the investment properties at the end of each financial year.

Overall, the Group posted a net profit of S$30 million in 1H 2014 for its continuing operations; however, excluding the profits from the sales of M Space, its total net profit was S$13.1 million. This is an improvement of 52% or S$4.5 million compared to a net profit of S$8.6 million in 1H 2013 after excluding the total fair value gains of S$55.9 million and a one-off impairment charge of S$3.4 million. The Group's accommodation business accounted for the entire S$30 million of net profit in 1H 2014 as its optical disc business broke even for the period. The optical disc business contributed approximately S$0.4 million towards the Group's cash flow in 1H 2014.

The Group experienced a slight loss for the discontinued Australian operations of S$0.1 million in 1H 2014, as compared to S$0.8 million loss period-on-period after excluding the S$0.5 million impairment charge in 1H 2013.

Review of Group Balance Sheet

Other current assets decreased by S$9.3 million mainly due to deposits that were refunded on acquisitions and project tenders.

The increase of S$10.9 million in investments in joint ventures was mainly due to the Group's share of profits of the joint venture, offset by a S$9 million dividend received from the joint venture.

Investment property increased by S$89.9 million, mainly due to the acquisition of RMITV and the development of accommodation projects in Singapore and Malaysia.

The increase of S$3.4 million in property, plant and equipment was mainly attributed to the acquisition of shares in a China associated company and additional assets acquired by the Group's accommodation business.

Borrowings increased S$87.2 million largely due to bank loans obtained in 1H 2014 to finance the expansion of the Group's accommodation business. The Group's gearing ratio stood at a comfortable 46%.

Review of Company Balance Sheet

Cash and cash equivalents increased by S$7 million mainly due to trade and other receivables settled during the period and deposit refunds, offset by the increased in investment in subsidiaries and dividends paid to shareholders.

Other current assets were reduced by S$1.9 million due to deposit refunds from project tenders.

Investment in subsidiaries increased by S$11.0 million as a result of the acquisition of RMITV.

Review of Cash Flow Statement

In 2Q 2014, the Group generated a positive net cash flow of S$8.9 million from operating activities, which is an increase of 85% year-on-year.

Net cash of S$0.3 million used in investing activities was mainly attributed to the development of new dormitories, offset by dividends received from the Group's joint venture as well as proceeds from the sale of property, plant and equipment.

Net cash of S$11.6 million used in financing activities was mainly due to the S$8.3 million dividends paid to shareholders as well as repayment of borrowings.

As a result of the above activities, the Group recorded a total net reduction in cash and cash equivalents of S$3 million.

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

Not applicable

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

Accommodation Business

Supported by healthy demand and a more diversified portfolio of purpose built workers and students accommodation across the region, the outlook for the Group's Accommodation Business remains favourable.

Workers Accommodation

In Singapore, the Group presently has 23,500 beds across 3 workers accommodation assets. A fourth project, Westlite Woodlands, is under construction with 4,100 beds and is expected to complete and be operational in 3Q 2015. On a portfolio basis, the assets are achieving high occupancy rates.

The local workers' accommodation landscape is changing. Over the past one and a half years, government agencies have released parcels of land for a total of approximately 100,000 beds, most of which have short-term land lease of between 6 to 9 years. The smaller portion of these beds are under long-term land lease, including Westlite Woodlands which has a land tenure of 30 years. These new dormitories will be completed progressively from 2H 2014 to 2016; some of which are expected to replace certain purpose-built dormitories whose land leases are due to expire.

In addition, the Government has introduced measures to manage the foreign workers' population, in particular, the construction industry. Both these developments may have an effect on the overall demand for beds, occupancy as well as rental rates.

The Group will continually review measures to keep abreast of industry developments as well as government policy changes, and make the necessary adjustments to remain competitive. The Group's assets are well-located throughout Singapore, and 2 of the assets cater to different and multiple industries, thus allowing the Group to adapt to changing demands in the foreign worker industry. As such, the Group's overall occupancy at the portfolio level is expected to remain healthy.

In Malaysia, the Group presently has 14,500 beds across 5 workers accommodation assets in Johor. Two more projects with a total of 10,800 beds are under construction and expected to complete and be operational in 1Q 2015 and 4Q 2015 respectively. On a portfolio basis, the assets have achieved good occupancy. This was a result of strong proactive marketing to existing and potential clients, as well as achieving high quality standards benchmarked against international requirements. Besides meeting the needs of its residents, the Group also provides management services to complement its total service. All these efforts have earned good reception from the clients, and the Group is optimistic of steady growth in the occupancy and rental rates of its Malaysian assets.

Notwithstanding the changing landscape in Singapore, the Group will continually explore selected acquisition opportunities here as well as build on its presence in Malaysia. It will also draw on its strengths to leverage on its expertise across other countries as and when opportunities arise.

Student Accommodation

In Australia, RMIT Village continued to operate at almost 100%. Supported by strong student demand, the asset is expected to continue to maintain its occupancy rate and contribute to the profitability of the Group. Studies are ongoing to carry out refurbishment works as well as enhancement works to further realise the potential of the property.

In July 2014, the Group announced the proposed acquisition of a portfolio of 4 student accommodation assets comprising 1,906 beds in the United Kingdom. The portfolio comprises 3 in Manchester and 1 in Liverpool. Completion of the acquisition is expected to be in September 2014. Given the strong demand and limited supply of student accommodation in both cities, the assets are expected to be almost fully occupied at market rents, thereby immediately contributing to the Group's revenue and profitability in 2014.

The Group will explore further opportunities for this new area of growth.

Optical Disc Business

The operating environment for the Group's Optical Disc business remains difficult as the market demand for physical optical storage media is weak. Faced with falling demand, the Group will continue to focus on controlling cost and carry out the necessary restructuring to ensure that the business continues to generate positive cash flow.

11 **<u>Dividend</u>**

(a) ***Current Financial Period Reported On***

<u>Any dividend declared for the current financial period reported on ?</u>

None

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

<u>Any dividend declared for the corresponding period of the immediately preceding financial year ?</u>

None

(c) **Date Payable**

Not applicable

(d) **Books Closure Date**

Not applicable

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

No dividend has been declared for the 2Q 2014

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Not applicable for quarter announcement.

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

As explained in note 8.

15 **Sales and Profit Breakdown**

Not applicable for quarter announcement.

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

Not applicable for quarter announcement.

17 **Interested Person Transactions ("IPTs")**

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

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

Not applicable for quarter announcement.

19 Use of Proceeds - Warrants conversion

On 28 October 2013, the Company had issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of 1 Warrants for every 10 existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one (1) 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 expires on 27 October 2017.

The net proceeds of S$405,386 in relation to the new shares issued pursuant to warrants exercised, have not been utilised to date.

20 Negative Assurance Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 30 June 2014 to be false or misleading in any material aspect.

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

Kong Chee Min Chief Executive Officer and Director	Lee Kerk Chong Executive Director

BY ORDER OF THE BOARD
Kong Chee Min
Chief Executive Officer and Director
14 August 2014